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# West Europe Report

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## REVIEW OF NEW BOOK ON EEC BY SOCIALIST PARTY CANDIDATE

Paris FRANCE NOUVELLE in French 26 May - 1 Jun 79 pp 34-35

[Review by Charles Haroche of Edgard Pisani's book "Defi du Monde. Campagne d'Europe" (World's Challenge. Campaign for Europe) published by Editions Ramsay]

[Text] Edgard Pisani depicts himself as a midwife of the coming supranational Europe which would be threatened on all sides if it did not take up the "challenges of the world" and "modernity."

Edgard Pisani is well known in French and European agricultural circles. As minister of agriculture in the DeGaulle government, he was one of the architects of the common agricultural policy and took an active part in the marathon negotiations on that policy during the period 1961-1965. His experience with the different mechanisms of integration, his political affinities led him to the Socialist Party. While back in 1954 he did attend the first meetings of the Action Committee for a United States of Europe, a group organized by Jean Monnet, the father of the Common Market, he has also worked closely with Sicco Mansholt, a German Social Democrat and former chairman of the Brussels [European Community] Commission, one of the theoreticians of supranationality, a top-flight technocrat identified with the EEC's successive crises and recoveries.

Edgard Pisani, socialist senator from Haute Marne, has been chairman of the Strasbourg European Parliament's Economic and Monetary Committee for several years now. He is a candidate in the 10 June elections on the list headed by Francois Mitterrand. Hence his book fits into the ideological and political context of the current election campaign. This popularized explanatory essay has a significant title, "World's Challenge. Campaign for Europe." What challenge -- in the singular -- does it refer to? Actually, it refers to several challenges resulting from the changes that have occurred on the world scene with its new balances and imbalances, with the irruption of new partners, with the various East-West, North-South crises and tensions, etc.



There is nothing new or original about Edgard Pisani's basic argument. It has already been overworked. But despite its repetition, he hopes it will have some impact in convincing public opinion that "European unity" -- meaning West European supranational integration -- is absolutely necessary because "Europe" would be threatened on all sides if it did not take up the "challenge of the world."

Edgard Pisani establishes a cause and effect relation between the EEC's continued build-up and the evolution in the international situation which he dramatizes expressly for this purpose by constantly referring to what he calls "the mounting perils."

In 1950, and again on the eve of the signing of the Treaty of Rome in 1957, the heterogeneous coalition attempting to impose the surrender of elements of national sovereignty justified the division of the European continent and regroupment of solely the capitalist European countries, on the grounds of the "community" of capital and the threats which socialist countries posed to a "free Europe." European integration, the daughter of the cold war and the Atlantic Treaty, becomes -- in Edgard Pisani's book -- an absolutely vital undertaking because "the world is again becoming disquieting, even hostile" (page 43).

Edgard Pisani asserts that the somber and dramatic picture of the world in 1979 "suggests, dictates that the Community remain. Yes, Europe, as it is today, has so many constraints, is the source of so many disappointments, that no Frenchman perhaps, no Belgian, Italian, German, Briton, Netherlander, Luxembourger, Dane, and Irishman, almost no one, would defend it any longer if the world were not what it is."

Such enhancement of pessimism in a comparative analysis of the situation in the world and in Europe, a Europe characterized as "an uncertain actor in the international competition," betrays the appalling servility of an analysis in which technique has a major part, in which everything that relates to the EEC is reduced to a dual phenomenon of break-up or revival.

"Europe is born or dies today, at 20 years of age. It has set target dates for itself, and the world is pressing it. If it fails to assume its responsibilities, it would cease being useful and would disappoint us. It would be better for Europe to die. But Europe must live. The decision is up to us. Tomorrow would be too late."

The argument of an opportunity that must not be missed, if we are smart enough to make good use of the 10 June elections, is also the argument advanced with tremendous and dogged insistence by Giscard d'Estaing, Raymond Barre, Mrs Simone Veil and her fellow candidates. Since target dates are pressing and European realities more than disappointing, "community daring" should, therefore, prevent the situation from deteriorating.

Closed space, limited time, "suicidal Europe or a renascent Europe: Edgard Pisani does not want to give his voters -- and his readers -- opportunity to verify his statements at leisure.

Here are a few illustrative examples of those statements: confronted with a dangerous world and crises, no country of the Old Continent can cope by itself alone, national boundaries have become too narrow, we must, therefore, create or rather recreate Europe. What causes everything to go awry in this EEC's Europe?

Edgard Pisani answers that it is dependent on the United States, has questionable unity and solidarity, has an internal North-South dialog now that the entry of Spain, Greece, and Portugal poses the problem of a "European division of labor," that this Europe is without responsible officials, without a voice, that its political prospects are stymied along with its institutional machinery, that "excessive recourse to the principle of unanimity has seriously unbalanced the working of its institutions", and that "the Council of Ministers has assumed a degree of importance relative to the Commission that it did not have in the treaties."

These are the timeworn catchwords of the advocates of supranationality. Edgard Pisani would like to "reinvent the Community because even though it is "like a flashingly bright promise in the face of a great threat," it is making no progress. The blame for this falls on the "short-sightedness of government," on "triumphant national bureaucracies," and on "free-trade, Atlanticist, and nationalist talk."

Consistent with a constant of the "Europeanizing" ideology of Social Democrats, Edgard Pisani looks with similar disfavor on multinational firms and nation-states which, in his view, belong to another age. No allusion to the class character of monopolistic integration can be found in his analysis or in his description of the components of the contemporary world's method of operation. The elementary notion of imperialism is deliberately ignored, and so is the responsibility of the capitalist powers in the arms race, in neocolonialism.

While denunciation of the pernicious role of multinational companies does constitute some progress in the way reformers assess the situation, it must not delude anyone. It does not mean general denunciation of monopolistic business dealings and connections. And correlation of the multinationals with solely big American capitalistic interests, allows Edgard Pisani, and socialist leaders as well, to give European monopolies and their states a clean bill of health, to gloss over those multinationals whose parent companies are French, British, West German, etc., and to minimize "interimperialist" contradictions and the part played by the EEC's supranational institutions in serving the interests of crisis-plagued big capital.

It would have been beneficial to show how in agriculture, industry, energy, and scientific research -- all fields examined in the second part of his book -- the relocation policies and messes are the results of the hold monopolies have over the EEC. Instead of that, the Community's actions and relations with the Third World are dealt with from a peculiar view of political

economy wherein "large groups", "Continental spaces", and such economic and strategic regroupments as the Atlantic, Mediterranean, and other, theaters of operation are privileged over "the arrogant solitude of allegedly sovereign states."

Thus Europe of the Common Market, obviously enlarged for Edgard Pisani, is depicted as a possible model in the search for a new international economic order.

But to attain this end, this Europe has to be invested with political institutions. In the third part of his book, socialist senator, Edgard Pisani outlines his proposals for a "renovated Community", one enlarged to include the new candidates. Inasmuch as federal and confederal references are deemed inadequate, it is necessary, in order to balance national and community interests, to revise the respective functions and powers of the European Council, the Commission, and the European Parliament. In the final analysis, Edgard Pisani's proposals boil down to an extension of the powers of these institutions.\*

It is quite obvious that under this form of redundant suggestion there lies an attempt to deceive by employing integrationist language which borrows its set form of words from negation of the nation, from voluntaristic exhortation, and from tactical distinctions between economic plans and political plans.

"Why not distinguish", writes Edgard Pisani, "between the Europe of being, the Community of the Europe of doing, and the Economic Union?" (page 268).

In less metaphysical terms, the political and supranational Europe -- "the political being" -- should one day link up and merge with the economic Europe of necessities and circumstances so as to attain the fullness of its recovered identity. One recognizes therein the mythological idea of the rebirth of the phoenix from its own ashes.

But above and beyond the mythical language, who is going to pay the price for this identity of capitalist Europe, if not the peoples of Europe? Edgard Pisani calls upon their solidarity so as to confine them more effectively within a politico-strategic bloc whose unavowed ultimate goal, camouflaged in a technocratic "will to do," consists, according to Pisani, in "assimilating" nations to one another in taking action. But these nations have no need to be assimilated. They want to live in freedom and freely determine their democratic and peaceful future in a fraternal Europe respectful of the independence and sovereignty of all its component nations.

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\*On the subject of the proposals, Edgard Pisani acknowledges he is greatly indebted to the help given him in drafting and formulating them by Pascal Fontaine, an expert on institutional problems and lecturer at the Ecole Polytechnique and the Paris Institute of Political Studies. In an article entitled "What Institutions for Europe?" published in the April 1979 issue of DEFENSE NATIONALE, Fontaine has included, under his own name, entire pages from the chapter on "Economic Union and the Community" in Edgard Pisani's book. This obviously raises the question of actual authorship! It is up to the two confederates to straighten this out between themselves. As for the reviewer, he can only observe that it is surprising to read the same prose under different publications.

## ROYAL INTERVENTION IN FOURONS INCIDENT CALAMITOUS

Brussels SPECIAL in French 31 May 79 pp 16-18

[Editorial by Francis Monheim: "The King Checked"]

[Text] On 10 August 1950 the Chambers granted royal power to Baudouin, the crown prince and eldest son of Leopold III. In a popular election held on 12 March of the same year only 58 percent of the Belgians had voted in favor of the return of King Leopold III, in exile at Pregny. And that return had caused popular riots in Wallonia: at Grace-Berleur the police had opened fire on the crowd, killing three persons. . . .

It was then under extremely delicate political and personal circumstances that Prince Baudouin was invested with the royal prerogatives at 20 years of age. One year later, King Leopold put an end to this "unnamed regency"--according to the name given it by Professor Paul de Visscher--and abdicated in favor of his son. On 17 July 1951 Prince Baudouin became the fifth king of the Belgians. For nearly 30 years the principal concern of Baudouin I has always been to incarnate and to promote the unity of the country. First as prince, then as king he took on this task with exemplary wisdom and conviction. Under the most difficult circumstances (and sometimes the most painful for him)--the succession, the school conflict, the clash of the communities, the affirmation of regionalism--Baudouin I has had only one goal: to preserve national cohesion. He has been--he still is--king of all the Belgians. Now we shudder at the thought of what could have happened if the king had not been --patiently, obstinately, with as much calm as passion--everyone's king.

Now we see that on the occasion of the Fourons incident the ineptitude of a few people has placed the king at the center of a polemic which directly affects his role as mediator and arbiter.

The facts are known. On Sunday 13 May some Flemish extremists organized a demonstration in Fourons; they clashed with French-speaking activists belonging to Action Fouronnaise; the police intervened; several people were wounded on all three sides; five French speakers were arrested.

On Tuesday 15 May, when the king was on his way to Berviers to take part in an academic session, his car was stopped at Ensival by a police vehicle. Jose



Happart, president of Action Fouronnaise, got out of it. Happart handed a petition to the king, who agreed to talk to him for a few minutes. In Flanders, the news of that interview caused some surprise; surprise which changed to stupor when it was learned that "the audience beside the road" had been thought up and planned by Georges Gramme, the interior minister, in person. Jose Happart, for his part, made statements to the press. He declared that king had promised him to intervene with the prime minister in favor of the French-speakers who were under arrest at Tongres. Happart was lying but his lies added to the confusion.

On Wednesday 16 May this affair was brought up in the Chamber. The prime minister was questioned by representatives of the CVP [expansion unknown], the BSP [expansion unknown] and the Volksunie. Wilfried Martens recalled that it was "a tradition to allow certain citizens to hand petitions to the chief of state on the occasion of a royal visit;" he indicated that the interior minister was responsible for the royal audience, in agreement with the constitution: but the prime minister should admit that he had not been consulted by Georges Gramme.

On Thursday 17 May Flemish protests became more and more violent. The king went to Hasselt to find there, in the residence of the governor of Limbourg, five demonstrators who had been wounded during the preceding Sunday's skirmishes. This time, the audience had been prepared by the interior minister and the king's cabinet chief, Jean-Marie Piret, with the agreement of the prime minister. Now, at the moment when the king received his interlocutors, several hundred Flemish militants were demonstrating in front of the Brussels palace and were accusing the king of being "king of the Walloons."

It is obvious that in such a delicate matter it would be wrong to give importance to extremists. Whether they belong to the Blaamse Militanten Orde or to Action Fouronnaise, the agitators exclude themselves from democratic debate to the extent that they use violence, blows and insults.

However, it would be equally wrong to cover one's eyes and deny the evidence. Now, it is evident that in the climate of tension between communities which now prevails, the Ensival audience organized by Georges Gramme aroused very strong emotions in Flanders; emotions which the Hasselt audience, planned by Jean-Marie Piret, certainly did not mollify.

Those emotions were strongly resented in all Flemish circles which are at the same time traditionally "royalist."

As evidence for this we have the opinion, not of extremist militants or of parliamentarians on the watch for demagogic effects, but of two Flemish journalists who have always defended national unity and who are also numbered among those whom the king regularly consults in his desire to know the opinion of the country.

Manu Ruys, chief editor of the STANDAARD and Leo Siaens, chief editor of HET LAATSTE NIEUWS both wrote on the same day that the Ensival audience was an



"error:" an impardonable error which might have a damaging effect on the country's future.

Now if Ruys and Siaens make such declarations, it is because they are--more than anyone--in touch with Flemish opinion and because they are--more than others--concerned about the future of the national community. They have so frequently proved this under circumstances where Flemish demagoguery would have been so much more "profitable" for them, and their warnings deserve to be considered by all responsible leaders in the country.

After that, it is lamentable to have to observe that LA LIBRE BELGIQUE, which claims to be monarchist, calls the editorials by Ruys and Siaens "insane," discovers a "wind of madness" in them and condemns with the same spirit "the Flemish intelligentsia."

In the same commentary in LA LIBRE you can read the following, which is completely absurd: "Organizing the Ensival interview was a calculated risk on the part of Interior Minister Gramme, taken in an attempt to pacify spirits in Fourons."

Absurd to the degree that Mr Gramme's initiative was so clumsy that it immediately led to an opposite effect to the one it was meant to have. Absurd above all to the degree where a royal minister, through political and partisan calculations, allowed himself to take risks which directly compromised the person of the sovereign.

On the juridical level, the affair was very simple because it was covered by articles 63 and 64 of the constitution. Article 63: "The person of the king is inviolable; his ministers are responsible." Article 64: "No act of the king may take effect if it is not countersigned by a minister who, by that sole action, makes himself responsible for it."

Georges Gramme is minister of the interior; he met Jose Happart before the Ensival audience; he planned the audience; he ordered the police to take the leader of Action Fouronnaise to the king. Georges Gramme should therefore assume the entire responsibility for that audience. And, because of the fact that the audience may be damaging to the king and to the institution of royalty (which no one will any longer deny), Minister Gramme should resign.

His resignation does not in any way imply the resignation of the entire government--and, on this point, we are no longer in agreement with Leo Siaens--first of all because Mr Gramme acted alone (the prime minister has recognized this), then because the constitution does not require government solidarity. It would therefore be enough for Georges Gramme to offer his resignation without waiting for a motion of censure against the entire government.

The situation of Jean-Marie Piret is similar to that of Georges Gramme, even if the constitution does not mention the responsibility of the king's cabinet chief. However, as he is a jurist too (he was royal prosecutor in Brussels)

Mr Piret should very particularly take care that no initiatives taken or proposed by the politicians should harm the king. In this lamentable Fourons affair, Mr Piret did not take that elemental precaution. Since his responsibility is not constitutional, it is therefore moral, and he should take all the consequences of it. Andre Molitor, his predecessor, would certainly not contradict this. He always scrupulously and happily took care to maintain royalty above factionalism and outside of polemics.

Those who have taken the risk of allowing extremists to put the king in check should therefore have the courage and the intelligence to remove themselves. We want to be thoroughly understood: what is important for us is the union of the Belgians. Now experience has shown that the person of the king is the best guarantee--and perhaps the only guarantee--of this union without which we would be powerless.

Without the tireless action of Baudouin I, would Belgium have lived through the separatist assaults? Would we have been able, without him, to maintain the international prestige which we enjoy today? Whether we want it or not, whether we are sad or happy about it, the existence of Belgium, both on the domestic and on the international level, is therefore directly connected with the person of the king and to his influence.

That means that everything concerning the king is linked to a reason of state; it means also that the reason of state cannot adjust itself to the slightest weakness, to the smallest error in calculation among the leaders of those who have as their job to defend him.

It is not the person of Mr Gramme or that of Mr Piret which is in question here: it is a question of the job that they have to do. Their lack of experience--which some people are invoking today--can neither excuse nor explain anything.

The king--we have often felt this--knows the Belgians better than anyone. All the Belgians. His power to inform himself, to encourage and to warn has permitted him to master all problems and all situations. That is why it is so lamentable to find in his suite men who do not share the same pluralism or, in some way, the same ubiquity. Men who seem to be cut off from reality, prisoners of one community or tributary to one particular way of seeing things.

Whatever their merits and their talents may be aside from this, these men have no place in the king's council or in his cabinet.

When the very existence of the state is at stake, only rigor counts. A rigor that King Baudouin has always scrupulously observed and which has permitted him to protect the country from all adventures.

Would it be excessive to demand the same virtue from those who pretend to serve the king? We do not think so.

Paradoxically, this new Fourons affair has demonstrated the capital importance of the royal mission. The king constitutes the last rampart against misunderstanding and division. If one part of public opinion denies his role we now see the beginnings of disintegration upon us.

That is exactly what we want to prevent when we utter this cry of alarm. A cry which those who are badly informed and who do not accurately judge the extent of the dangers that threaten us will blame us for, no doubt.

The lack of information is always the first stage of irresponsibility.

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CSO: 3001

## TFSC UNION CHIEF CALLS FOR TALKS WITH CYPRIOT COUNTERPART

Nicosia HALKIN SESI in Turkish 21 May 79 p 3

[Text] Nicosia (TAK): Dogan Haktanir, Chairman of the Cyprus Turk Public Employees' Union, has stated that a parallel rapprochement between the organizations, committees, and opinion groups of the Greek and Turkish communities will be beneficial and that, in the event that the grounds for suspicion and mistrust between the two communities were to be eliminated, they would be prepared to meet in discussions with their counterpart organizations.

Haktanir, answering a question from the TAK [Turkish News Agency in Cyprus] correspondent with regard to the invitation made by the General Secretary of the Greek Public Employees' Union, said that the essential problem is to do away with the causes of the suspicion and mistrust between the two communities. He spoke as follows in summary:

"We, the Cyprus Turk Public Employees, are faithful to the decisions reached by our high Assembly on 5 Oct 1976. Our high Assembly had decided in favor of the establishment of an independent, unaligned, non-partisan federal state, to consist of two communities and two regions. In addition, we stress that we are unalterably opposed to Cyprus as a whole, or any part of Cyprus, being bound to any other state, as well as to any solution to the problem which would leave an open door to any such development.

We consider it our duty to provide full support to any opinion groups which adhere to this view. Upon request, we are prepared to study any matters whose addition to these guarantees might be desired. Let me state this, however: those who call us to cooperation and rapprochement must first demonstrate that they are really willing and determined to live as friends with us, side by side and under the same roof. The way to do this is to demonstrate that Cyprus is our common property and that both sides have abandoned aims which contradict this. Certainly Pasidi is not able to nullify all the resolutions in favor of enosis with which the Greek assembly and political parties have been infested or which have been made in various official bodies. However, the Pasidi to come out against these views and desires, for him to openly and officially call for them to be changed, is enough for us. In the event that a suitable atmosphere is obtained, we are always prepared to discuss means of rapprochement and cooperation."

## FINNISH CONSERVATIVES CHOOSE NEW LEADERSHIP

## Suominen to Succeed Holkeri

Helsinki DEMARI in Finnish 5 Jun 79 p 3

[Article: "Suominen Unanimously Elected to Conservative Leadership"]

[Excerpt] Conservative Party Chairman Harri Holkeri's carefully thought out plan became a reality over the weekend when the party congress held at Seinajoki unanimously elected Ilkka Suominen, 40, as his successor. The efforts of the party's rightwing, which was opposed to Suominen, were confined to a couple speeches expressing displeasure with the election situation. Even in these there was no complaint about Suominen but about the manner in which Holkeri "pushed him through" as their apparent.

Holkeri, who resigned from the chairmanship because of his appointment as director of the Bank of Finland, left a positive memory of his term of office in the minds of the members of the Conservative Party by presenting the most recent Gallup Poll at an opening speech at the M-Information Center.

According to this poll, the Conservative Party would have increased its support by 1.6 percent even after the Diet elections, which were a victory for the party.

Otherwise Holkeri did not trouble himself with an evaluation of what was achieved in the party during his 8-year chairmanship. On the concluding day of the party congress an evaluation was provided by Diet Member Pentti Maki-Hakola, who belongs to the rightwing of the party and in whose opinion the Conservative Party line was watered down in vain in the hope of entering the government since the party continues to sit in opposition.

## Congress Yields Opera and Dinners

After the chairman's gavel was extended by Holkeri to Suominen and after Elsi Hetemaki-Olander and Tapani Morttinen were reelected as vice chairmen, the business of the party congress, attended by 1,000 people was concluded.



The congress adopted three resolutions, of which the one concerning an energy policy is primarily a belated concurrence with the energy program prepared in the spring by the Ministry of Trade and Industry. In the resolution emphasis is placed on raising the domestic level of energy consumption and on energy conservation. The trade union policy resolution reiterates the Conservative Party's old demand for a transition to a relative election method in the election of all decisionmaking organs, which is a thorn in the side of the SAK [Finnish Confederation of Trade Unions] which uses the majority election method. Another chief aspiration of the Conservative Party is "the strengthening of the income distribution policy position" of white collar workers and officials.

The foreign policy resolution endorses the Paasikivi-Kekkonen line, whose concepts the Conservative Party did not adopt until 1969. In it support is given to making the Nordic area a nuclear-free zone and a position is adopted to support a new international economic system.

#### Domestic Policy Bypassed

A portion of the people attending the congress, especially the rightwing, was disappointed in the fact that a domestic policy resolution criticizing government policy and the exclusion of the Conservative Party from the government was not given. The matter was discussed in a few speeches only in passing. Diet Faction Chairman Pentti Sillantaus, among others, found fault with the Center Party, which rejected a bourgeois majority government already when government examiner Veikko Helle still wanted to negotiate.

The silence concerning domestic policy has been interpreted as uncertainty within the Conservative Party with respect to the direction in which it should progress without jeopardizing its increased support. Chairman Suominen adopted a stand to be applied anew to all directions and stated that we should not attempt to get a "win by fall" from the opposition.

#### Pressures Remained

Even though Suominen's election was unanimous, he admitted that there are various factions and conflicts between them within this large party. It is predicted that Suominen will continue to have difficulties with the strong man of the Diet faction, Pentti Sillantaus, who demanded additional power for the party's Diet faction led by him at the expense of the party administration.

Sillantaus has at various stages been mentioned as a possible candidate for chairman by the rightwing. Holkeri, however, kept him out of the play by placing him in the leadership of the Diet faction.

The attitude of the new chairman toward the Finnish Cooperation League, the party's "leftwing" cover organization, which was established by the initiative of Diet Member Ilkka Kanerva, is also not without problems. At the

Congress Suominen avoided a stand with respect to the cooperation league by stating that it is not a member organization of the Conservative Party.

#### Opposition Line Outlined

Helsinki HELSINGIN SANOMA in Finnish 2 Jun 79 p 3

[Article by Aarno Laitinen and Janne Virkkunen: "Holkeri Clarified Conservatives' Opposition Line at Party Congress"]

[Text] The centrist majority in the government will not be able to use the power of the Conservative Party for its own transactions within the government. This was the definition of the party's opposition line given by Conservative Party Chairman Harri Holkeri at the opening day of the congress in Seinajoki on Friday.

At the opening speech Holkeri failed to give an answer to the party rank and file as to why the Conservative Party continues to remain in opposition even after the biggest election victory in its history.

In a rather weak situation report Holkeri did not mention even one word about the government negotiations even though he had received public attention for a full week as the individual responsible for explaining the government situation, which President Urho Kekkonen believed he had been the first to do.

Also Holkeri did not mention a word with respect to why the Conservative Party had dropped Vice Speaker Veikko Helte (Social Democrat) from the preliminary round and thus from Director Mauno Koivisto's (Social Democrat) Government.

Bank Director Holkeri's "accusing finger" did not point at the Social Democrats anymore than at the Center Party. The rank and file also did not receive an answer as to why it was not possible to set up a majority government on the basis of a strengthened bourgeois majority in the Diet.

Instead Holkeri departing from the usual line aimed a barrel-full at the Swedish People's Party, which after a full year's absence returned to a government of the left and the center.

Holkeri's policy line is predicated on the fact that the Conservative Party intends to eat away at the little less than 5 percent support for the Swedish People's Party.

This was emphasized by the fact that Holkeri gave part of his speech in Swedish.

"The Conservative Party repeatedly declares and will continue to declare that we do not want to set up a political front against the Swedish People's Party," stated Holkeri.

However, according to Holkeri the government program endorsed by the Swedish People's Party lacks the economic policy goals being promoted by the Conservative Party.

In a state of opposition the Conservative Party is compelled to keep particular track of the direction in which the Swedish People's Party is aspiring, stated the chairman of the Conservative Party.

He added that the Conservative Party understands that nothing decisive can be accomplished with two ministerial portfolios especially when the Swedish People's Party consciously prevented the procurement of economically significant portfolios.

#### "Government Solution Contradictory"

Holkeri, who gained momentum from a recent opinion poll favorable to the Conservative Party, condemned the government solution, which in his opinion is in conflict with public opinion.

However, Holkeri admitted that the parliamentary system contained in the constitution had been observed.

Holkeri sought support for a change of direction from the changes which have taken place in party support since the 1966 elections. Since that time of leftwing majority rule, the leftwing had lost more than 11 percent of its support and 15 seats in the Diet.

The Center Party, which has participated in the government with slight adaptations, has during the same period lost more than 8 percent of its support and 20 seats, stated Holkeri.

The Conservative Party, for its part, has increased its support by more than 7 percent and at the same time has increased the number of seats in the Diet by 21, stated Holkeri.

#### Protest Attempts in Leadership Elections

The opponents of the present leadership of the Conservative Party may mount a protest against Ilkka Suominen, who is to be elected chairman on Saturday.

For the time being a willing opponent to Suominen has not been found, but within the representation at the party congress there is at least two types of dissatisfaction with the new chairman.

The rightwing of the Conservative Party considers Ilkka Suominen to be a submissive person. Some of Suominen's opponents, on the other hand, base their dissatisfaction on the fact that Suominen's candidacy was not officially announced until a few weeks ago so that there was no time to discuss the matter within the Conservative Party.

Since it appears that an opposing candidate to Suominen will not be found, the opponents of the party leadership are satisfied with complaining about current Chairman Harri Holkeri's procedures in the leadership election. Certain national societies in Helsinki have also considered the possibility that they propose a postponement of the chairmanship elections until the fall. The issue could be brought up for a vote, in which the opposition can measure its support.

So far, Diet Member Pertti Salolainen and former Diet Member Anna-Liisa Linkola have been proposed as competing candidates to Suominen, but they have both refused.

Conservative Party youth and students are also planning a small protest on Saturday against the vice chairman to be elected. In their opinion Tapani Mottinen no longer represents youth, but they also do not intend to propose an opposing candidate.

Diet Member Elsi Hetemäki-Olander, who is to be reelected as vice chairman, is also without an opposing candidate.

She recalled the tax discussion held before the elections and stated that in light of this the individual voter has cause to expect a change. "The published government program is in its essential portions, however, only a condensed version of the previous government's program. It is doubtful that this kind of repetition was desired from any quarter."

Holkeri demanded a renunciation of the customary political confrontation, but did not explain what he meant by this. "We must create something new and give up prejudices. Giving these up is not, however, the same as a rejection of the prestige of a citizen," explained Holkeri.

The chairman of the Conservative Party talked about Finland as a society of expectations, in which the unemployed, youth, and pensioners have expectations. "The most urgent expectations awaiting a solution are the expectations of our war veterans," stated Holkeri.

#### Resignation Not Explained

Holkeri pointed out to the half-empty meeting hall that at this congress he will resign from the party chairmanship, which he has held since 1971.

Holkeri no longer offered an explanation for his resignation even though attempts were made to pressure him to continue before the party congress.

In the opening speech Holkeri did not consider it purposeful to even leave any kind of last will and testament for his successor, Ilkka Suominen, whom Holkeri selected.

According to previous custom Holkeri put his faith in the party rank and file by stating that "governments can be formed in the country without the

Conservative Party, but this country cannot be built without the Conservative Party".

#### Party Contributions Eligible for Deductions

Party Secretary Veikko Tavastila, who presented the party's agenda, lamented the Conservative Party's continuing money shortage. The Conservative Party has debts amounting to 6.5 million markkas and it will not be able to manage with the 12 million markkas in party support, but will continue to require contributions.

Tavastila was dissatisfied with the extensive election campaigns of individual candidates and with the fact that contributions to the party have decreased. He proposed that tax deductions be allowed for contributions to the party up to a certain amount.

In discussing the agenda the congress also approved a resolution whose purpose is to increase the opportunities of army personnel in the Conservative Party.

#### Conservatives' Dilemma Analyzed

Helsinki UUSI SUOMI in Finnish 31 May 79 p 2

[Commentary by Jarmo Virmavirta: "Party Has New Point of Departure"]

[Text] The Conservative Party is changing its military helmet for a racing helmet, read the headline in the spring of 1971 when Harri Holkeri was elected chairman of the Conservative Party. Holkeri was elected to the leadership of the Conservative Party as a candidate of the youth generation and in accordance with its expectations for conservative party policy. From a national point of view those policy pressures with which the Conservative Party is entering the 1980's with a new leadership are still important. Now that the political content of a national front-type government cooperation seems to be exhausted, the nucleus for an alternative in the 1980's is apparently being sought from within Conservative Party policy.

The Conservative Party entered the 1970's with a significant election victory. In the Diet elections of March 1970 Conservative Party support increased from 320,000 votes to 450,000 votes. All the ruling parties suffered election defeat, nearly 250,000 voters moved elsewhere from the government front, and the Diet's leftwing majority became a bourgeois majority.

However, in making the transfer from the elections to the parliamentary system the election victory for the Conservative Party meant primarily a right to exercise the formalities. Rihtniemi first received the duties of feeling and seeking out individuals for a government and then the duties



Of forming a government. However, he was never allowed to form a government, not even a minority government, even though a list of ministers from the Conservative Party and the people's parties was ready. In addition to labor market difficulties, the president referred to foreign policy with respect to the appointment of Jan-Magnus Jansson as Foreign Minister: "Indeed, I had to take into consideration the fact that the Rihniemi would have failed also from a foreign policy point of view; the situation in this respect was now more difficult for Finland than in the fall of 1958."

After the free selection form brought about by the elections, there was a return via the Aura interim government to compulsory business or the so-called people's front cooperation of the center and the left, which with its hinges badly creaking has lasted until the end of the 1970's.

However, the decade also concluded in a significant election victory for the Conservative Party. In March 1979 the Conservative Party increased around 450,000 votes to more than 600,000 votes and is indisputably the largest nonsocialist party. In spite of this, Finnish parliamentarianism is traveling a familiar course. After inquiries were made by Harri Holkeri with respect to a government, we then went about scratching together a government cooperation of the left and the center from among the ruling parties which had suffered defeats in the election.

Now that the chairmanship of the Conservative Party is changing, it is asked whether Holkeri will ask his successor the same question which he himself was faced with in 1971: "A party which purposefully strives by its policies to accomplish the program approved by its supporters cannot be satisfied with just mere protests unless they result in something other than pleasing applause. Thus, a strong opposition position will not suffice for the Conservative Party in the politics of the 1970's. Obstacles on the path to participation in government must be eliminated." (Holkeri: A Correct Alternative, 1970).

#### Behind a National Foreign Policy

The answer to the question whether the Conservative Party's political position is the same as it was 10 years ago, notwithstanding its strengthened support base, presupposes an evaluation of developments in the Conservative Party in the 1970's.

During the 1970's a clarification of the political profile of the Conservative Party has taken place particularly in 3 areas: foreign policy, the general essence of the party, and aspirations for cooperation. All of them are, without a doubt, connected with the increase in support.

As President Kekkonen's book, quoted above, indicates, the attitude of the Conservative Party toward the foreign policy of the republic in the beginning of the 1970's was not undisputed. Even though the party had approved the Paasikivi-Kekkonen line in its official documents, there was a lack of

credibility. The attitude toward the chief executors of foreign policy was distant, which, without a doubt, had an effect beyond the borders of the country. Not being able to participate in government, for its part, raised old prejudices against Kekkonen within the Conservative Party.

That analysis which finally resulted in the transfer of the Conservative Party to the foreign policy front standing behind Kekkonen was not easy. The support given to the exception law in 1973 by the majority in the Conservative Party faction of the Diet resulted in especially difficult internal conflicts and almost in the division of the party. However, a sufficiently large movement to the right did not appear and it became the task of the Conservative Party leadership to bring the entire party behind Kekkonen. This occurred at the 1975 party congress by taking a vote with approximately one-fifth responding on the support to be given Kekkonen in subsequent presidential elections, but in 1977 for all intents and purposes it was unanimous. These policies were sealed in a joint public statement of six parties supporting Kekkonen prior to the electoral elections.

The work accomplished in the area of foreign policy in the Conservative Party in the 1970's is perhaps not in an unambiguous position with respect to the increase of support. It is more likely a question of credibility with respect to policy.

The fundamental analysis of foreign policy made during this decade and the actions in accordance with it have resulted in the fact that today there is no uncertainty concerning the Conservative Party's support for the Paasikivi-Kekkonen line. It can be honestly said that the Conservative Party has stepped out onto a new path during this decade and has created a good basis for the foreign policy solutions of the 1980's. This is important above all for the fact that the party can concentrate on resolving the important foreign policy questions of the 1980's free of old burdens.

The policy line of the Conservative Party is especially significant in that the Conservative Party is a member of the European conservative and Christian democratic community, the so-called European Democratic Union, which has grown stronger in the 1970's. The appearance as a representative of Finnish foreign policy at this forum is accentuated as a result of the greater significance of conservative parties.

#### A General Party

Already at the end of the 1960's Riihniemi began to call the Conservative Party a general party. By this term the intent was to show that the party does not involve itself in any particular trade union or other faction. The difference with respect to the workers' parties and the agrarian center became accentuated. On the other hand, the general party emphasis also meant the basic ideological and program line of the party. Even from the point of view of politics the Conservative Party did not want to be a Party looking after someone's interests.

During the 1970's the general party concept was made more precise in programs which at the beginning of the decade were compiled as maps for the political terrain. The program of goals approved in 1972, in particular, was emphasized as a total national vision. The concept of a free market economy was made more precise with terms from a social selective economy. In a rather vaguely stated phrase it was disclosed that in a mixed economic system there are social, ethical, and moral values which are to be taken into consideration as the individual sees fit.

It has been the custom that party programs meet the challenges of the times particularly the programs of a party in opposition. Since in the Diet the opposition role, in general, is accentuated only in a defensive and rejecting sense, the programs have been of considerable importance for the Conservative Party in the 1970's.

One indication that the general party concept corresponds with the truth is, of course, the increase of support for the Conservative Party. But the structure of the constituency is particularly significant. According to the studies that have been done, it seems that the structure of the Conservative Party's constituency has come to represent the overall population structure in proportion with its change. The proportion of people in service trades and white-collar workers in the party's constituency is predominant.

From the preliminary information obtained from the study done on the results of the last Diet election it has also become evident that young people are voting for the Conservative Party. The program reform-mindedness contained in the general party concept has corresponded with the constituency's ideas of an overall policy line. The predictions are good. As a general party it will apparently be easy for the party to succeed since the important questions of the 1980's concern broad human issues. For example, an environmental policy will become a central issue in the minds of the people.

#### A Difficult Cooperation

Even though the relations of the Conservative Party have been good with its constituency, the discussion with the other large parties has not always progressed in the spirit of cooperation. The leftwing did not at all approve of the Conservative Party as a partner in government cooperation, and the bourgeois majority in the diet of the 1970's was never able to create a bourgeois majority government. The furthest that bourgeois majority self-confidence went was during the minority government of Miettunen when a majority was realized through the so-called budget agreement. Reasons for this situation have been sought from disunity in the bourgeois camp, the labor market situation, and the depth of political opposition.

Since 1969 the Conservative Party, for its part, has been ready in principle to discuss government cooperation even with the Communists. In

accordance with this, the individuals sending out feelers with respect to the formation of a government have included representatives of all parties in 1970 as well as in 1979. However, the center has been considered as the closest partner in cooperation. Proposals for cooperation with it have been made even in party congress statements. However, the conditions for cooperation have not been found primarily due to the reservations of the center.

In addition to the inability of a bourgeois majority to function the fear of aggravating differences has also been mentioned as an obstacle to cooperation. Since the mutually loose cooperation within the center and the appearance of the Conservative Party in the elections without an election alliance -- a significant circumstance from the point of view of practical politics at the end of the 1970's -- are strengthening the bourgeois camp, the conditions for cooperation in the 1980's may come up for discussion again.

It is already now being asked whether the fear of aggravating differences has been exaggerated in today's mass communication society. Even in this would there not be more security in opening doors than erecting fences?

In 1970 Juha Rihtniemi considered that the cooperation of bourgeois parties will not be resolved by negotiations, but "cooperation will be resolved by voters strengthening a party whose programs and actions they consider to be the most suitable". During the 1970's the path of negotiations has not concluded in results, but neither has it harmed the growth of the Conservative Party. In the 1980's the Conservative Party will have to deliberate the questions of cooperation once again. In addition to the growth of the Conservative Party the fact that the political content of the people's front cooperation has been exhausted throws new light on the background. Since a number of important reforms were accomplished in the 1960's undeniably through the cooperation of the left and the center and an overall atmosphere of reform was created in society, this foundation has almost completely disappeared.

The people's front cooperation is more a mechanism of looking out for interests than a forward moving political force. However, society wants a forward moving political force which is generated from an alternative capable of accomplishing this. It is basically a question of nothing less than the functional ability of democracy. On the whole, the 1970's have meant for the Conservative Party a strengthening of ideology, practical politics, and a support base. Even though the government question has not been resolved, Holkeri leaves his successor a party capable of independent deliberation. The point of departure is today different than it was 10 years ago.

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CSO: 3107



## CONSERVATIVE BID TO WIN SPEAKERSHIP FAILS

## Virolainen Defeats Sillantaus

Helsinki DEMARI in Finnish 6 Jun 79 p 5

[Article: "Virolainen Elected Speaker, Conservative Vote Behind Sillantaus"]

[Excerpt] Center Party Chairman Johannes Virolainen, 65, was, as expected, elected speaker of the Diet on Tuesday. This position became open when Ahti Pekkala of the Center Party was appointed Finance Minister.

Virolainen obtained 126 votes. His opposing candidate, Pentti Sillantaus, chairman of the Conservative Party faction, obtained the votes of the Conservative Party, Christian League, and the Agrarian Party or a total of 59 votes.

One stray vote was obtained by Mikko Kaarna presumably from Virolainen and one vote went to Juuso Haikio of the Conservative Party most likely from Sillantaus. Virolainen was supported by leftwing and center parties.

The election of the speakership was surprisingly difficult for the Center Party and not without problems for the faction's chairman. The faction was forced to vote for a candidate to the position of speaker. A vote was taken in the faction as to whether they should nominate their own candidate to the speakership elections or not.

With a vote of 20-16 the Conservative Party nominated its own candidate, who was Sillantaus. Five members of the faction abstained and six were absent. Juuso Haikio, who was elected second vicespeaker at the beginning of the Diet session, has lost the confidence of the majority in the faction.

When the Diet was brought to order, Haikio was also a candidate of the Conservative Party for the speakership in the elections.



## Speaker Election Analyzed

Helsinki HELSINGIN SANOMAT in Finnish 29 May 79 p 2

[Editorial: "Election of Speaker"]

[Text] From a political point of view and in principle the elections for speaker of the Diet will be more interesting than usual. The position will become open when present Speaker Ahti Pekkala, who has been appointed Finance Minister of the Koivisto Government, submits and obtains his resignation. Because of party congress business, the elections themselves will not be held until next week, but the intervening period will also be necessary for negotiations by factions other than the ruling parties.

In Finland's political life the practice that the speaker and prime minister are from different parties, which has been observed to be a good thing, has been traditionally carried out. In this way it has been possible to emphasize the independent position of the Diet and also the separation of executive and legislative powers. It has also been traditional that the speaker's gavel and the prime minister's portfolio have normally belonged to the larger parties, either the Social Democrats or the Agrarian League/Center Party.

This red-green alternation -- a socialist prime minister, a nonsocialist speaker, or vice versa -- has been considered self-evident even when some other party of the left or the right has temporarily gained supremacy over the Social Democratic Party or the Center Party. Because of internal conflicts, this happened in 1958 and 1962 to the Social Democratic Party, which at that time became smaller than the Communist faction. In the 1970 elections the same thing happened to the Center Party, which had one less representative than the Conservative Party due primarily to the efforts of the SMP [Finnish Rural Party].

Now there is a perceptible nonsocialist majority in the Diet. The SDP [Social Democratic Party], which indisputably continues to be the largest party in the Diet, holds the prime minister's position. Thus the speaker is to be elected from among the nonsocialists. It seems natural that the speaker will be elected from the largest nonsocialist faction. The second largest party, the Conservative Party, now falls into this category. In the Diet it has 11 more representatives than the third largest party, the Center Party, which obtained a perceptible overrepresentation in the government and left the Conservative Party to complain in the press.

In light of this, the demand of Pentti Sillantausta, chairman of the Conservative Party's Diet faction, to obtain the position of speaker for the Conservative Party is justified. On the other hand, the proposal to adopt a practice by which the position of the speaker would always be given to the largest opposition party is not reasonable even from the point of view of the Conservative Party unless it is based on the assumption that the Conservative Party will be permanently in opposition. This makes it possible to encounter rather difficult situations, for example, in the formation of an even broader based government or a government of all parties.

## ANOTHER 'NIGHT FROST' FOR FINLAND POSSIBLE

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 20 Jun 79 p 12

[Commentary by Werner Adam]

[Text] It appears that someone let the cat out of the bag. In an interview the new Speaker of Parliament and chairman of the Center Party Virolainen admitted black on white that which, in the opinion of the respected bourgeois newspaper HUFVUDSTADSBLADET, was common knowledge though never publicly admitted: The alleged foreign political unreliability of the Conservative Party had made it advisable to block its access to power, regardless of its gains in the latest parliamentary elections. Instead a new popular front regime was constituted once more. True, the leader of the Farmers Center Party (which had earlier provided the country with President Kekkonen) merely mentioned "generally familiar factors" as having prevented the Conservatives inclusion in the government. On the other hand it was surely no accident that the term instantly applied in Helsinki was "night frost," a description of great historical significance and recalling attention to the neighboring Soviet Union where the party organ PRAVDA had intimated to Finnish voters just before the latest elections that a success of the Conservative Party would be bound to injure bilateral relations.

Night frost? This term was used, post facto, to describe a government which, exactly 20 years ago, was compelled to resign following massive pressure from Moscow. At that time the Soviet Union had taken offense because Kekkonen appointed moderate Social Democrat Fagerholm (who indeed profoundly distrusted the Soviets) to head a five-party coalition excluding the communists. Moscow immediately proceeded to a series of obvious harassments which subsided only when the "night frost government" resigned after a brief period in office. Virolainen was foreign minister in Fagerholm's Government and, therefore, as he now cited in justification of his rejection of the Conservatives, "a participant in a test which failed." Though he could hardly have more graphically demonstrated Soviet influence on Finnish domestic policy, the veteran Center Party politician in fact went even further in his interview and, with an undertone of reproach, commented that some sections of the Conservative Party still insisted it was time at last to find out "what Finnish independence really amounts to."

By contrast Central Bank director Holkeri (who recently resigned as chairman of the Conservative Party) commented Virolainen's remarks and the ensuing speculation by saying that, following his party's election victory, he had not heard any reports of Soviet objections to a Conservative Government. New Conservative Party chief Suominen, a close friend of Holkeri, also accused the Center Party leader of using an "obsolete weapon" which no longer had any significance for Finnish politics. In fact, at its latest annual congress the Conservative Party strongly emphasized its endorsement of Kekkonen's foreign policy. Most Finnish newspapers considered this the final defeat of the "ultra right" within the Conservative Party and, at the same time, stressed that, already 2 years ago, the party majority had voted for the reelection of the president, primarily to underline its foreign political reliability. Virolainen indeed felt obliged to add that his own party had been quite prepared to form a government together with the Conservatives. Due only to the objections of the Social Democrat and Communist parties the Center Party had ultimately decided "in the interest of the commonwealth" once more to carry on within a popular front government.

Only a few days before the Virolainen interview a very different tune was heard from deputy Center Party chairman and Foreign Minister Vayrynen who is alleged in Helsinki to be more the president's confidant than the party chief. Vayrynen subdivided the Conservative Party into the "ultra right," the "actual right" and the "moderate right," but contested the statement that the latter had prevailed. He maintained that the conservative "core" still consisted of those forces who had resisted Kekkonen's last reelection. Editor-in-chief Jansson of HUFVUDSTADSBLADET--generally very well informed--considers that the Foreign Minister would hardly have mentioned the president without the latter's knowledge. From his critique of the Conservative Party Vayrynen concluded that any Finnish Government would "normally" have to be supported by the left parties. In the "most unlikely case" that a bourgeois majority government should ever come about, the Center Party would certainly consider cooperation only with the "moderate right." And though the Conservative Party--banished to the opposition benches for 13 years--gained no less than 11 seats at the last elections and has thus become the second strongest party in parliament (after the Social Democrats), Vayrynen cavalierly dismissed the obvious voting trend by saying that the Conservatives should give up the "illusion of partnership in the government and instead heed the realities."

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CSO: 3103

PROFILE OF PCF MEMBERSHIP, COMMUNIST ELECTORATE

Sociological Analysis of Membership

Paris FRANCE NOUVELLE in French 9-15 Jun 79 pp 5-11

[Interview with PCF Central Committee secretary Paul Laurent by Dominique Vidal: "Who are the Communists?"]

[Text] The PCF [French Communist Party] has more than 700,000 members; who are they? This question is answered by the sociological study conducted in connection with the preparations for the 23rd Congress. Central Committee secretary Paul Laurent analyses the principal results here.

Dominique Vidal: Our first question comes quite naturally: Why conduct such a study?

Paul Laurent: First of all, because we have not made any such study for 12 years. That alone is a long period of time. Besides, it is a period of time which, especially since 1974, has been characterized by a considerable increase in party membership.

When you increase your membership from 350,000 to 700,000, it is obvious that very profound changes are taking place in the makeup of the Communist Party. The old study and the partial studies in the mean time thus are no longer sufficient for a serious analysis.

Question: Does this not basically bring us to the characteristic move made by the 23rd Congress since we are dealing with the Communist Party itself here: The search for an analysis of things such as they are—as realistic, as refined as possible—in all of their complexity, in order better to adjust our strategy to this situation and make it the most operational strategy possible?

Answer: Absolutely. This, if we may say so, is the end of the era of approximations, of subjective situation estimates; we must get as close as possible to reality, in this field as in the others.



Question: Before going on to the results themselves, here is one more question of a methodological nature. What should we think of the reservations expressed by certain commentators who cast doubt upon the scientific nature of this study?

Answer: Looking at the usual opinions of those who make such studies, we can say that the degree of credibility of our study is close to 100 percent.

The opinion surveys--which these commentators usually thrive on--generally involve 1,000 or, at best, 2,000 persons. Now, our study covered more than 600,000 communists who belong to all of the organizations of the CP, within comparable proportions.

All sociologists will say in agreement with us that the individual presentation of information by more than 600,000 members out of 700,000 enables us to get very close to the truth.

Question: The first result, undoubtedly the most striking one, concerns the number of communist women, does it not?

Answer: This in effect is the most spectacular result, especially since we had underestimated it. We of course thought that we had made progress as compared to the 25 percent women which the CP had in 1966 and we thought that we might have 32 percent now. Well, the study reveals that the CP now has 35.7 percent women.

Proportionally, that is already considerable. But, at the same time, the CP has doubled the number of its members. This means that the number of communist women increased from 90,000 to 250,000. The fact that women have been joining the CP faster than men at the same time is a reflection of the general forward movement of the women which we analyzed during the 23rd Congress but it also shows that the CP responds rather well to their aspirations and might say that it is doing an ever better job here. The women progressively, on all levels, are taking up the place which should normally be theirs in the revolutionary party.

Question: To the point that it is satisfied with the result?

Answer: There is in effect a small degree of danger in this profoundly joyful result: That is the tendency to become satisfied with it and not to pursue, with the necessary concentration, the effort to win the women over, more and more, in an ever better fashion. Far from stopping, we must persevere.

This is especially so if we take a closer look at the situation, department by department, where we find great inequalities. In some of them, the proportion of women is close to half of the membership; for example, it is 45 percent in Val-de-Marne, 43.6 percent in Seine-Saint-Denis, 43 percent in Val-d'Oise, 42.2 percent in Essonne, 41.2 percent in Meurthe-et-Moselle



North, 40 percent in Aube, and 39,8 percent in Bouches-du-Rhone, etc. It should be noted that the proportion of women is often greatest where the CP comes closest to the mass character which we want it to have.

At the other end of the spectrum, on the other hand, there are departments where the proportion is around one-quarter, such as 22.6 percent in Creuse, 24.3 percent in Haute-Loire, 25.8 percent in Landes, 26.1 percent in Cotes-du-Nord, 26.5 percent in Finistere Nord, 27.1 percent in Morbihan, 27.2 percent in Indre, 27.4 percent in Gers, etc. These are often rural departments. But, at any rate, we must try to understand why they are behind and we cannot simply resign ourselves to that situation. In effect they often point to an accumulation of inadequacies and resistance that must be overcome.

Question: Let us now take up the social make up of the communist party membership as such. Observers were struck by the continuation of the worker majority in the CP and by the growing proportion of white-collar employees but also intellectuals in general.

Answer: The evolution of the party's social makeup corresponds to the general evolution of French society and the political determination characterizing the CP. In other words, the policy of the CP is paralleled to a certain extent in its makeup, of course without any schematicism.

Thus, among the party's active members, workers are in a majority, amounting to 51 percent if we include certain categories of technicians, production supervisors, and clerical employees who belong to the working class. Now, should we emphasize the significance of this result? We are the party of the working class and we consider the latter to be the revolutionary class that can and must assume a leading role in the democratic march toward socialism. We naturally find this orientation again in the place which it holds within our organization.

Question: But in relation to 1966?

Answer: The proportion is a little bit lower, not because the number of communist workers has declined--on the contrary, it is definitely going up--but simply because we have done some considerable recruiting in categories that were very weakly represented in the PC in the past.

That is particularly true of white-collar employees. All we said, at the 23rd Congress, about the numerical growth of this category, about the fact that its living and working conditions are getting closer to those of the working class, is expressed in their growing participation in the CP, in other words, 28 percent of the active membership.

Question: The communists thus are blue-collar workers and white-collar employees to the extent of 79 percent. Still, the 23rd Congress has just once again emphasized the inadequacies of our setup and our activities in the enterprises.

Answer: We should not deduce from their massive presence in the ranks of the CP that our party has solved all problems connected with its setup in the enterprises. A large portion of those workers, those clerical employees, those salaried employees unfortunately are not organized in the CP at their places of employment. This is the gap we have to help close during the next period by paying more attention to the diversity of situations.

For example, looking at communist blue-collar workers, we can see that they can be broken down into 2.15 percent farm workers, 54.65 percent industry workers, and 43.2 percent skilled workers. This proportion of skilled workers is much higher than we thought and points up the possibilities of considerably expanding the setup of the CP in the big enterprises where they are organized. But at the same time it shows us how the obstacles placed in our way by the owners but also the underestimation persisting in our ranks, with respect to the priority to be assigned to this effort, actually prevent us from fully benefitting from the massive presence of skilled workers.

Question: Without touching on the inequalities we discover, from one federation to the other, as in connection with the women, what can you say about the weight of the working class in our ranks?

Answer: Certain inequalities obviously have to do with the sociological makeup of the departments themselves but it would be absurd to go by that in our analysis.

When the CP in a worker department is not only proportionally very strong in terms of workers but when at the same time it is already a numerically relatively strong party, a mass party, then that is politically expressed in the results we obtain.

Let us take the departments or the communist federation that has more than 70 percent workers; here for example we find Aisne with 74.6 percent, the Ardennes with 73.8 percent, Meurthe-et-Moselle Nord with 72.4 percent, Pas-de-Calais with 74.3 percent, the Somme with 73 percent, etc. It suffices to look at the election map to see that the massive presence of blue-collar workers in the CP is not only an internal phenomenon but has consequences in the political arena.

Question: In this list of federations with the strongest worker representation, I can also see departments where the influence of the CP is definitely weaker, such as, for example, in Calvados with 64.7 percent workers in the CP.

Answer: Or Aube with 65.7 percent. Here on the other hand we are dealing with a CP which is still growing, which is essentially striking roots in the "worker bastions" but which has not yet attained a mass character, neither in terms of its organization, nor in terms of its influence.

Question: And at the other end of the scale, in the federations where the weight of the working class is more relative, you have between one-quarter and one-third of the membership.

Answer: The weight of the working class is stronger in the CP than in the sociological situation you actually find in the department. Even in Paris--which, as we say, is one of the least worker-oriented departments--the CP has 27 percent in its ranks, in other words, a considerably higher proportion than in the capital's population. On the other hand, the Paris federation of the CP is the one which has the largest number of white-collar workers with 43.9 percent. It is followed closely by those of Deux-Sevres with 41.9 percent, Val-de-Marne with 38.5 percent, and Seine-Saint-Denis with 37.3 percent.

Question: The third striking result pertains to the number of communist intellectuals because here again the real situation can be underestimated.

Answer: We have 70,000 active members plus 17,000 inactive members. That disproves the idea of a "desertion" of the CP by these social categories. I do not know whether we are the biggest organization of intellectuals in France but we are certainly the biggest political organization ...

Question: ... reflecting the diversity of these categories?

Answer: Yes, but this is a distorted reflection which should attract our attention to certain problems. We are relatively much better organized among the teachers in the various categories than among engineers and supervisory personnel. Here again, we find a priority for our work during the coming period of time. These engineers and supervisory personnel are much more numerous than the teachers and our analysis of their situation persuades us to think that, if we refine our policy, if we maintain more in-depth relationships with them, positive changes can rapidly take place here.

Question: More generally speaking, does this massive presence of intellectuals in the CP not forcefully underscore the critical reflection of the 23rd Congress upon our activity in dealing with the intellectuals, on the need for improving it both qualitatively and quantitatively?

Answer: That is obvious. The mere fact that--in spite of all of the inadequacies revealed by the congress--we had more than 80,000 intellectuals in our ranks casts light, if I may say so, on our duties and responsibilities. The immense wealth represented by all of the communist intellectuals is far from being fully utilized to the benefit of our strategy. Here again we have a priority for the future.

And there is another statistic here, before we go on to the age breakdown, which seems important to me: Although we have not as yet completed the study on the immigrants, we can say that our CP as of now has close to

25,000 workers from practically all nationalities. That is a lot, considering the organizational difficulties but it is little with respect to the number of immigrants and the necessary progress in our hold among them.

Question: Let us now go on to the age breakdown. What are the basic conclusions in the study?

Answer: The first one is that the massive strengthening of the CP took place above all in the youngest population categories. Hence, the party has gotten considerably younger; we have more than 40 percent members under 35, 50 percent under 40. This is a very definite change since, in 1966 those under 40 accounted for only 42.5 percent of the membership.

The second feature—and I believe that it is hardly less important—is the very heavy representative characteristic of the CP with regard to all population age groups. More than 100,000 of our members are 60 and over.

The study on membership data shows that, moreover, while more than 400,000 communists—and this is quite normal because we doubled our membership—joined since 1972, the strength of the oldest generations of communists remains great: 38,000 joined before 1939, more than 10,000 joined during the war, in other words, close to 100,000 members who joined before 1947; this is the exact opposite of this "fading party" which people keep talking to us about so often.

Question: I would like to make a remark in connection with the young people in the CP. If half of the members are under 40, I am struck by the fact that only 11.8 percent are under 25. Even if we count the 100,000 members of the Communist Youth Movement, does that not raise a question here?

Answer: There is a question here because among the three categories of young people which we counted—under 25, between 25 and 30, between 30 and 35—those under 25 are the smallest group, although not in enormous proportions at that.

Many young people in this age group believe, of course—although that is not our theory—that, by being members of the Communist Youth Movement, they "are waiting" to join the CP. But we are having difficulties here in drawing those young people in, in understanding their concerns and in responding to them.

I would however like to emphasize that the proportion of members under 25 is 2 percent higher than what it was in 1966. That disproves the idea that the difficulty in relations between the CP and the youngest ones, as people say here and there about parties in general, grew during the last period of time. Ours improved, if anything.

Having said this, there remains one gap to be closed, beyond any doubt, and it accentuates the need for more in-depth thinking about the problems of



the younger generation, about the way in which the revolutionary party should tackle them. The 23rd Congress has set itself this objective.

Question: Let us stop here, if you will, in our analysis of the various results of the study--the general survey which we will publish will then complete these information elements--in order to draw some general lessons.

Answer: The study shows above all that the CP, under current conditions, can indeed play its role. It is the reflection of our policy, the reflection of the country, also, with the correction deriving from its nature as a revolutionary party.

The study also gives us indications as to how we can become an ever better revolutionary party, the mass party, the fighting party. This is true because we became more of a party of our policy as the women assumed a broader place in it. But, let me say again, that this should not satisfy us. I said at the congress that the target of one million members implies that we should have at least 40 percent women, or more than 400,000.

The study finally tells us that the present forces of the CP are not yet deployed in a manner that is most in conformity of our objectives. This, for example, is true of the enterprises as I have just emphasized: Although it is a very positive thing that we had close to 80 percent blue-collar workers and white-collar employees in our ranks, we must realize that our real organizational strength, our effective intervention strength does not correspond to this gain.

In other words, while we can learn a lesson of confidence and optimism from this study, we also find issues here that have to be resolved in the future. In order to become evermore a mass party, in order to have an ever stronger hold among the workers, the women, the young people, each of the categories to which we assign priority, with a better setup especially in the enterprises.

Question: Does not the real situation of the CP, such as it emerges from the study, also accentuate this need for progress in democratic life which the amendment of the bylaws by the 23rd Congress was aimed at?

Answer: The more the CP becomes a mass party, the greater is the need for democratic life which must meet the requirements.

For example, when it comes to connections between organizations and members, in the matter of political discussion, we cannot confine ourselves to rigid operational procedures. The massive presence of women, of retirees, of young people, with their specific life problems, confronts us with questions and calls upon us to draw on our imagination. Guaranteeing a living political link with all members--that is an objective which perhaps can be obtained only in the form of the traditional meetings.



How can we do a better job in spreading all of the necessary information around? That brings up the question of our press, more generally, the question of the life of the CP, etc.

The democratic developments introduced into the operations of the CP and, moreover, the new framework for the democratic development of the life of the CP through new bylaws must be fully utilized. The important thing is to infuse them with life in the reality of everyday politics. Everything urges us to advance on this road.

#### Communist Party Statistics

Membership: 702,864

Including: 451,745 men, or 64.3 percent

And, 251,119 women, or 35.7 percent.

#### Age Breakdown

Under 25: 83,187, or 11.8 percent

Between 25 and 30: 105,800, or 15 percent

Between 30 and 35: 97,174 or 13.8 percent

Between 35 and 45: 131,938, or 18.8 percent

Between 45 and 60: 169,754, or 24.1 percent

Over 60: 115,161, or 16.5 percent

#### Date Joined

Before the war: 37,909, or 5.4 percent

During the war: 11,156, or 1.6 percent

1944-1947: 40,578, or 6. percent

1948-1958: 50,116, or 7.1 percent

1959-1967: 68,141, or 9.7 percent

1968-1971: 71,169, or 10.1 percent

1972-1977: 261,544, or 37.2 percent

1978-1979: 156,372, or 22.3 percent

#### Occupations (percent of gainfully employed persons)

Workers: 253,134, or 49.1 percent

Including:

Employed skilled workers: 109,366, or 43.2 percent

Employed industry workers: 138,365, or 54.65 percent

Agricultural workers: 5,403, or 2.15 percent

Including:

Employed workers, private sector: 184,350, or 72.8 percent

Employed workers, public sector: 68,784, or 27.2 percent

White-collar employees: 144,681, or 28 percent  
Engineers, researchers: 3,879, or 0.75 percent  
Supervisory personnel: 12,614, or 2.45 percent  
Technicians: 22,885, or 4.4 percent  
Artisans, merchants: 20,173, or 3.9 percent  
Farm operators: 16,360, or 3.2 percent  
Teachers: 35,606, or 6.9 percent  
Including:  
Primary school teachers: 15,337, or 43.1 percent  
Secondary school teachers: 17,547, or 49.3 percent  
Higher-education instructors: 2,722, or 7.6 percent

Writers and artists: 1,493, or 0.3 percent  
Doctors, architects, lawyers, self-employed individuals: 4,959, or 1 percent  
College students: 9,213, or 1.3 percent

High school students: 2,596, or 0.4 percent of the total membership  
Retirees: 90,298, or 12.8 percent of the total membership  
Presently at home: 62,607, or 8.9 percent of the total membership  
Unemployed: 22,509, or 3.2 percent of the total membership.

#### Surveys of Communist Electorate

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[Article by David Sephiha: "The Communist Electorate as Reflected in Public Opinion Surveys"]

[Excerpts] Who are the communist voters? What is their attitude in the great political debate and with regard to the problems of society? What do they think of the communist party?

"Democratic life," the resolution of the 23rd Congress emphasizes, "must mean that we should continue the effort to attain the target of one million members." This is not just wishful thinking; if the CP has this ambition, it is because it thinks that this is necessary but certainly also possible. It does so for one essential reason: The existence of a communist electorate which will be powerful both quantitatively and qualitatively. In other words, hundreds of thousands of revolutionaries in being," of "communists without membership cards" so often talked about during the "organizational meetings."

This points up the importance of a more in-depth knowledge of the nature and behavior of the communist electorate to which opinion surveys can greatly contribute, of course provided that we use them in a cautious manner, that is to say, as indications of tendencies rather than as precise facts; their results constitute a very rich information source.

That is the idea behind this initial approach whose only purpose is to clarify some ways, to mark some stages for a more in-depth research effort. Only a portion of the opinion surveys carried out for the past two years has been processed in this connection and only the results indicating a noticeable differentiation in the communist electorate were revealed.

The communist electorate is distinguished above all by its makeup<sup>1</sup>. It appears to have more male members (56 percent) than the other parties (Socialist Party, 53.3 percent, right wing, between 45.2 percent and 47.9 percent, depending upon the parties). It also looks younger: 40.4 percent of the CP voters are under 35, as against 37.9 percent for the Socialist Party and 22.1-26.8 percent for the right wing. Only the leftist (56.2 percent) and ecologist electorates (57.3 percent) are younger.

But its mean feature seems to reside in the proportion of blue-collar workers (51.5 percent) which is considerably higher than among the socialist (31 percent) and right-wing (13.5-18.1 percent) voters. Overall, blue-collar workers and white-collar employees account for 70 percent of the communist electorate as against 54 percent of the socialist electorate.

Finally, more than half of the communist voters live in cities with more than 100,000 inhabitants (29.4 percent) and in the Paris metropolitan area (22.7 percent).

Thus we see that the party is the most masculine, the youngest, the most worker-oriented, and the most urban party; this uniquely contradicts the image, propagated by certain people, of a party "propped up" on certain categories and in "declining" areas. With the exception of a smaller proportion of women—which is due to objective and historical factors—the communist electorate on the contrary seems to be the most representative among the nation's active forces.

The second distinctive feature of the communist electorate seems to pertain to its stronger "political awareness"<sup>2</sup>.

Thus, 41 percent of the communist voters believe that the role of the political parties in France is "very important" whereas only 30 percent of the French voters as a whole think so (Socialist Party 28 percent, UDF [French Democratic Union] 34 percent, RPR [Rally for the Republic] 32 percent). Concerning the role of the parties in the future, 57 percent of the communist voters would like it to be "more important" as against only 26 percent for all of the voters (PS [Socialist Party] 33 percent, UDF 14 percent, and RPR 24 percent).

Here is another significant result: The criteria as a function of which the voters decide their vote above all; it appears that 84 percent of the communist voters mention "the program of the candidates" and "the party to which they belong," as against only 66 percent for all of the voters

together (PS 74 percent, UDF 63 percent, RPR 63 percent). On the other hand, only 11 percent make up their minds above all as a function of the "personality of the candidates," as against 24 percent for the French voters as a whole (PS 19 percent, UDF 29 percent, RPR 34 percent).

Regarding what has been called the "major political issues," we can refer especially to the survey conducted in September 1977 by the Louis Harris Institute.

Louis Harris for example introduced two opinions in his sample surveys: "I am in favor of a revolutionary transformation of society" and "I think that present society should be changed as little as possible." Well, 46 percent of the communist voters were in favor of the first statement as against only 17 percent for all of the French voters (19 percent for the PS and 60 percent for the PSU [Unified Socialist Party]-Extreme Left). Only 9 percent of the communist electorate picked the second opinion as against 27 percent for all voters taken together (12 percent for the PSU-Extreme Left, 19 percent for the Socialists). We have 44 percent of the communist voters in a "middle position" as against 54 percent of all voters together (28 percent for the PSU-Extreme Left and 60 percent for the socialists).

Here is another general question: "The working class should play a vanguard role in the transformation of French society." Here, 89 percent of the communist voters are "quite in agreement" as against 59 percent for all voters (83 percent for the PSU-Extreme Left, 73 percent for the Socialists). Only 4 percent are "not in agreement" as against 20 percent for the French voters (9 percent for the PSU-Extreme left and 13 percent for the Socialists).

Other questions, more precise, clarify this attitude. Thus, looking at the role of nationalization in resolving the crisis, 71 percent of the communist voters think that it is "positive" as against only 36 percent for all of the voters (70 percent for the PSU-Extreme Left and 53 percent for the Socialists). Likewise, 69 percent of the communist voters are in favor of a tax on capital as against 54 percent of the electorate as a whole (85 percent for the PSU-Extreme Left and 65 percent for the Socialists).

Having to choose between "utmost liberty" and "strictest authority and discipline," 39 percent picked the former and only 13 percent the latter; 47 percent prefer a "middle position" whereas, for the entire electorate, the figures are 26 percent, 18 percent, and 55 percent (PS 29, 14, 56; PSU-Extreme Left 66, 4, 30). Between "we must preserve a rather vast inequality of incomes because that creates emulation" and "everybody should have the same income, regardless of their occupation or skill," 17 percent of the communist voters came out in favor of the first opinion, 25 percent were for the second opinion, and 57 percent adopted a "middle position." For all of the voters, the figures are 26 percent, 17 percent and 56 percent (PS 19, 19, 60; PSU-Extreme Left 6, 68, 26).



These aspirations are expressed on questions on rights and freedoms. Thus, 73 percent of the communist voters believe that the elimination of the right to strike is "very serious" as against only 48 percent of the electorate as a whole )PSU-Extreme Left 79 percent, PS 62 percent, CDS [Social Democratic Center]-Radical Party 81 percent, PR [Republican Party] 74 percent, RPR 83 percent).

Beyond the formulation of questions, beyond their abstract character or the excessive alternative they offered, the Louis Harris survey thus formally disproves the image of a "rally of malcontents," almost "Poujadist," as described by certain people. On the contrary, it presents the portrait of a communist electorate which is most aware of the needs for a revolutionary transformation with which it most strongly associates the vanguard role which the working class must play here, the profound reforms to be instituted, as well as liberty, equality, and democratic right<sup>4</sup>. The current opinion surveys on Europe, which are sufficiently well known—we need not bring them up here, leads to convergent conclusions at the level of awareness of the communist voters.

The opinion surveys furthermore reveal that the communist voter is also the most open-minded when it comes to so-called "society" problems. On that level, even more so than on the others, undoubtedly, the results contradict the ideas held even by some communists.

This is particularly true of a recent public opinion survey conducted by the IFOP [French Public Opinion Institute] on love, on contraception, and abortion<sup>5</sup>. Thus, the communist voters are most numerous (58 percent as against 41 percent for the entire electorate) in believing that if "two persons love each other and want children," it is "not indispensable for them to get married." "When people get married, do they do so primarily to have children?" Well, 62 percent of the communist voters answered "No" as against 34 percent of the electorate as a whole. It should also be noted furthermore that the communist electorate is least birth-oriented since it believes that 2.14 would be the ideal number of children as against 2.46 for all of the voters.

The communist voters are 79 percent (as against 67 percent for all of the voters) in favor of thinking that "today, with contraception, two persons can experience their love intensely and amid full freedom." Likewise, 71 percent (as against 65 percent of the electorate as a whole) feel that "there is less poetry in love today not because people are better informed and freer; mystery means nothing and the thing that counts is what one feels." Finally, 51 percent of the communist voters (as against 29 percent overall) hope that the law "will be amended so as to make abortion easier."

According to the above mentioned survey by the Louis Harris Institute, when asked whether "the maintenance of the family such as it exists today is one of the most important things for our society," 48 percent of the communist voters said they were "entirely in agreement," 35 percent said "rather in



agreement," 11 percent said "rather not in agreement," and 3 percent said "not at all in agreement." Now, for all of the voters together, the figures were, respectively, 57 percent, 30 percent, 7 percent, and 3 percent.

These results may seem contradictory. The schematic nature of the questions counts a lot here. According to all evidence, the communists are devoted to the family and are more committed to its transformation, at the same time. Their responses to the survey conducted by PARIS-MATCH shows a more equal, more mature view of the couple in which the woman is considered as a mother but also as companion, as a citizen, and as a full-fledged worker.

The communist electorate is also differentiated on quite a few other subjects. The death penalty? Communist voters, according to the SOPRES [French Opinion Polling Company], are most numerous (70 percent, as against 67 percent for the socialists and 59 percent for the UDF and the RPR) in demanding a referendum on its abolition<sup>6</sup>. And the choice of this procedure goes hand in hand with a pronounced abolitionist position<sup>7</sup>. Self-defense? Only 3 percent of the communist voters declared that they purchased a weapon (as against 9 percent for the electorate as a whole); 8 percent are thinking of buying one (as against 9 percent for the voters in general), while 81 percent (as against 76 percent for the voters in general) are not thinking of buying one<sup>6</sup>. Juvenile delinquency? Well, 32 percent of the communist voters (as against 44 percent for the entire electorate) think that it can be explained entirely or in parts by weakness on the part of the parent; to a minor extent or not at all, on the other hand, 58 percent of the communist voters think so (as against 45 percent of the electorate as a whole). Even when it comes to "spanking" children, the communist voters are the most numerous (42 percent as against 33 percent for the voters as a whole) in finding this abnormal<sup>8</sup>.

There is no need to say that, concerning television programs, the communist voters are also the most dissatisfied; 26 percent say that they are "not at all satisfied" (as against 11 percent for the voters in general); 43 percent say that they are "not very satisfied" (43 percent for the voters as a whole); and only 31 percent (as against 44 percent for the voters as a whole) think that they are "very or rather satisfied."

Far from constituting this "retrograde" or "backward" mass, which some people try to depict here, the communist electorate thus on the contrary proved to be devoted to certain values and most open-minded with regard to the evolution of mores, most committed toward a change in outlook. In short, the communist electorate is marching in step with the times, except for some sluggishness which it still reveals, although considerably less than the others.

This partial study thus reveals one major conclusion which a more complete analysis will undoubtedly confirm, while refining it at the same time: The great quality of the communist electorate. This is a quality which one

cannot understand without taking into account the bonds linking the electorate to the party for whom the people vote. This is what is certified by the opinion surveys, especially a recent one by the SOfRES<sup>9</sup>.

The communist voters, for example, feel to the extent of 96 percent that the action of the CP was "very useful" or "quite useful" and this opinion is shared by 53 percent of the French electorate (51 percent in 1966).

The highly ambiguous question as to whether the CP is "a party just like the others" or "a very different party" was answered by 39 percent of the communist voters with the first qualifying statement and by 57 percent with the second one; the figures for the electorate as a whole are 39 percent and 51 percent (in 1966, 32 percent and 41 percent). "Different in what respects," the communist voters were then asked. Well, 70 percent first of all listed "defense of working people and the workers," 18 percent mentioned "honesty," 8 percent "simplicity" and 8 percent also "party organization."

Other qualifying statements attract our attention here. Thus, 90 percent of the communist voters--43 percent of the electorate as a whole--feel that the term "open to discussion" applies rather well to the PC. Parallel to that, 86 percent--69 percent of the electorate as a whole--consider it "faithful to its principles." Finally, 89 percent of the communist electorate--as against 48 percent for the voters as a whole--think that "the communist militants are people who work hard for the others."

The reactions of the communist voters to various opinions on the CP proposed by the IFOP spell these judgements out in greater detail. Thus, 96 percent of the communist voters think that "the CP is above all concerned with the well being of the people" and the national proportion here are 47 percent in favor and 35 percent against; 92 percent of the communist voters think that "if it were to come to power, the CP would reduce social inequalities," an estimate which is approved by 40 percent of the electorate as a whole and which is rejected by 41 percent; 91 percent of the communist voters also think that "when it comes to economic prosperity for France, one can trust the PC," an opinion which is shared by only 21 percent of the French voters while 54 percent are against.

The communist electorate naturally is also least sensitive to the caricatures of CP policy. Here, 40 percent of the French think that "if the situation seemed favorable to it, the CP would get ready to make a revolution in order to seize power"; 39 percent are not in agreement; the proportions, among the communist electorate, are quite different, with 19 percent and 65 percent, respectively. "If the CP were to come to power with the PS, do you think that it would respect freedom of expression?" Here, 89 percent of the communist voters--and 45 percent of the electorate as a whole--answered "Yes" while 6 percent were against, compared to 38 percent for voters as a whole. "What about the political rights of the opposition?" Again, 77 percent of the communist voters think that the CP would respect

them while 9 percent do not share that opinion; the proportions among the electorate as a whole are 38 percent and 40 percent, respectively.

Under these conditions, we are not astonished that 96 percent of the communist voters are in favor of communist ministers, 86 percent are in favor of a communist premier, and 78 percent are in favor of a communist president of the republic. Looking at the electorate as a whole, the figures are, respectively, 63 percent, 29 percent, and 21 percent in 1979 (48 percent, 20 percent, and 14 percent in 1968).

Other questions in the same SOFRES survey conducted in May enable us to measure the attitude of the CP electorate on two aspects of its policy. Who is "mostly responsible for the split in the left?" In this case, 10 percent of the communist voters answered "the CP," 48 percent said "the Socialist Party," and 34 percent said "both of them." A similar survey conducted at the end of March 1978 produced the following figures, respectively: 9 percent, 37 percent, and 39 percent. The electorate as a whole feels that the CP is responsible to the extent of 31 percent, the PS to the extent of 13 percent, and both of them together to the extent of 41 percent (in March 1978, the figures were 36 percent, 12 percent, and 39 percent)<sup>10</sup>.

As for the "overall review of the USSR," 44 percent of the communist voters consider it "positive" and 18 percent consider it to be "negative." Among the electorate as a whole, the proportions are, respectively, 26 percent and 32 percent. The previously mentioned survey by the Louis Harris Institute in 1977 helped clarify these responses. Concerning "economic development" in the USSR, 65 percent of the communist voters considered it "rather a success" and 10 percent "rather a failure." In the matter of "improving the living standard," the figures were 58 percent and 14 percent, respectively. On the other hand, from the viewpoint of "respect for public and individual freedoms," only 23 percent of the communist voters considered the "Soviet system" to be "rather a success," as against 46 percent who considered it to be "rather a failure."

In 1977 this same survey also noted the agreement of communist voters with the abandonment of the dictatorship of the proletariat (72 percent as against 8 percent) and with the idea that the CP operates in a democratic manner (77 percent as against 9 percent).

These results enable us to speak in terms of the broad agreement of the communist electorate with the policy of the PCF, including the most heavily debated issues which are the subject of the heaviest pressure from the media. Besides, the results were obtained during the complex period which consisted of the year following the defeat in March and the results were furthermore preceded by the 23rd Congress in whose preparation the communist militants but undoubtedly also the communist voters made much progress. "The CP is coming along alright"; that was the beginning of a commentary by NOUVEL OBSERVATEUR on these results.

It is true that the massive confidence expressed by the communist electorate in the future of the CP is striking. Looking at the year just ended, according to the IFOP<sup>9</sup>, we can say that 80 percent of the communist voters think that "the CP has if anything become stronger"; only 10 percent think that it has "become rather weaker"; the proportions among the electorate as a whole are 35 percent and 36 percent. More generally speaking, 87 percent of the communist voters--42 percent overall--think that the CP is "progressing"; only 5 percent--but 30 percent among the electorate as a whole--feel that it is "on the decline." But above all, 93 percent of the communist voters think that "the influence of the CP will become stronger" and only 2 percent think that it will "become weaker"; the French electorate as a whole is divided 40 percent and 30 percent on this issue, respectively.

#### FOOTNOTES

1. According to the indications derived from the voting intentions surveyed by the IFOP on the occasion of the first round of election in March 1978. To make a historical comparison, we can refer to the studies published in the January-February-March 1973 issue of CAHIERS DE L'INSTITUT MAURICE-THOREZ.
2. Figures taken from the SOFRES survey published on 27 January 1979 by FIGARO MAGAZINE.
3. This survey, covering 3,037 voters in all political groupings, was included in the "1978 legislative election file" published by LE MATIN.
4. On 27 January 1979, VSD [Social Democratic Life?] published an IFOP survey on the "by no means." Although it may be challenged basically, it does concern this orientation among the communist electorates.
5. Published by PARIS MATCH on 11 May 1979.
6. SOFRES survey published by RHONE-ALPES on 6 December 1978.
7. According to a SOFRES survey published by LE FIGARO on 23 June 1978, the communist electorate is far from the most abolitionist: 59 percent against the death penalty, 27 in favor, whereas the proportions among the electorate as a whole are 31 percent against and 58 percent in favor.
8. SOFRES surveys published respectively by LE FIGARO on 20 February 1979 and by FIGARO MAGAZINE on 9 December 1978.
9. Published by LE NOUVEL OBSERVATEUR on 5 May 1979.
10. According to the IFOP survey published by L'EXPRESS on 5 May 1979, 48 percent of the communist voters agree with the reproach made against the Socialist Party in terms of "veering to the right" and 38 percent are not in agreement.



## Summary of Conclusions, Significance

Paris FRANCE NOUVELLE in French 9-15 Jun 79 p 4

[Article by Jean Burles: "Toward a Party of One Million Members"]

[Excerpts] This report is a new approach to further information on the PCF, that is, its makeup and the basis of its influence. The data are of unequal value: A systematic study concerning its members, conducted by the PCF and miscellaneous public opinion survey results.

The evolution of the various characteristics of its members (see the interview with Paul Laurent), particularly regarding the worker component, the increase in the number of women and young people, the amalgam of generations--these point to its profound roots in French society and the close bonds between the vanguard party and the mass party.

In effect, it is a vanguard party and a mass party by virtue of its active role and its role of revolutionary anticipation regarding the movement of society, by virtue of its relations with the social forces as a whole, especially with the working class, but also by virtue of the number of its members with whose help it can carry out this activity.

A mass party by virtue of its activity, contributing to popular action and unity at the grass roots level, the PCF is also becoming such a mass party by increasing its membership from 350,000 to 700,000 in recent years but it can become a mass party even more completely.

First of all by virtue of the larger number of its members who are organized in the enterprises; the result could be absolutely spectacular if we realize that close to 80 percent of its members are blue-collar workers or white-collar employees whereas only about one-third of them are organized in enterprise cells. Broad and new-quality links are being established between the revolutionary party and the decisive social force in the essential place of the class struggle. Now, these links are the requirement for raising--in the development of the social and political struggles--the level of consciousness of hundreds of thousands of other workers and for building, in the enterprise, their alliance with a major portion of the intellectuals. We can imagine here the new quality of the bonds of the PCF with the masses by virtue of the simple fact that there are three times more communists organized at their places of employment, in more numerous and more active enterprise cells.

Other facts dealing with the communist electorate, of course with limitations characterizing any survey, are no less indicative as pointed up by the recruitment possibilities (see the study by David Sephiha).

In effect, not only does the vast mass of communist voters aspire to profound changes but close than half of them (46 percent) declare themselves to be



"partisans of a revolutionary transformation of society," in which the working class should be the vanguard in the opinion of the overwhelming majority among them (89 percent); this in fact means that millions of French women and French men share the fundamental objectives of the PCF and the means of implementing its strategy, whereas only 10 percent of its voters are members of that party. Beyond the restrictions or provisos which explain the intensity of the ideological struggle, this shows us that the study of members and communist voters confirms the coming perspective of a revolutionary party of one million members.

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## DISSIDENT PRO-SOVIET FACTION CRITICIZES PCF LEADERSHIP

Paris LE COMMUNISTE in French May 79 p 8

[Article by Veronique Contes: "The 23d Congress has Anti-Soviet Tones"]

[Text] Anti-Sovietism in PCF results from a continuing series of renunciations of party position. The first such example of this was in August 1968 with the condemnation of the necessary intervention in Czechoslovakia by the forces of the Warsaw Pact. From renunciation to renunciation, PCF leadership has come to the point of including in the record of the 23d Congress "the departures from discipline which may occur" in the socialist countries. That was with the application of the common program in view, to make it more easily acceptable to the social-democratic faction of the middle class.

The 23d Congress, situated on a straight line from the 22d, confirms the anti-Soviet agitation within PCF. The expression "the socialist countries' balance sheet is, on the whole, positive" is a flagrant example.

First, even the idea of a "balance sheet" is a bourgeois idea and assumes a spirit of compatibility. How can the balance sheet of a human society be drawn up? Note that the expression presumes that something is achieved, which is far from being the case for today's socialist society. The term even reveals that the leadership does not see the most important achievement, not even taken into account, which is existing as a socialist camp standing against imperialism. The leadership is not capable of seeing class struggle unfolding on the world scale. This explains why they are capable of referring to a "balance sheet."

Moreover, the qualifier "positive on the whole" continues to scorn our comrades of the socialist countries, for it is understood that a great deal of "negative" is in those countries. The opportunist PCF faction says "there still remain some practices and failures" of the Stalinist period. Such indeed are the opportunists' arguments! How can they, not having analyzed the PCF of this period, set themselves up as judges? How do they dare put the necessary coercion of the working class on the same plane with the remains of the Stalinistic opportunistic deviation? All these acts defined as "deficiencies" by PCF leadership are only the political defense of the workers and all their vested interests.

What PCF leadership has defined as "positive" are the rights and all the social interests which the working class of the socialist countries has achieved. Thus, in his introductory report to the congress, Marchais mentioned the continued economic growth and the liquidation of the afflictions of capitalism. But what he never mentions is that if the workers of these countries have obtained all that, it is because the power is in the hands of the working class. The opportunists are incapable of seeking this because no serious analysis has been done on the nature of the socialist class.

With all deference to them, socialism is neither "positive" nor "negative;" it is the historical stage which, having broken with the rule of exploitation, is building the classless society.

PCF leadership, by its anti-Soviet capitulations to the bourgeoisie, has made the bed for the liquidator elements in the party. Although proceeding on the same route and from the same point, the condemnation of the intervention in Czechoslovakia, PCF leadership find itself following in their footsteps. These lower middle class elements, which are not at all concerned with the political and social conquests of the workers, have even been organizing a real provocation in support of Charter 77, on 10 May, before the Czechoslovakian ambassador. Put in concrete form by the words of Jean Kehayan, using FNAC [expansion unknown] as a forum, "we must snatch the monopoly on anti-Sovietism away from the right."

In its inability to combat the anti-Soviet fanatics, PCF leadership is reduced to a shameful silence. This shows that by necessity the thesis of the "positive overall balance sheet" and the dirty work of the liquidators rests on the same foundation.

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## PCF CENTRAL COMMITTEE ASSESSES ACCOMPLISHMENTS, ACTIVITIES

Paris L'HUMANITE in French 24 May 79 p 5

[PCF Central Committee Communique of 23 May 79]

[Text] The Central Committee has examined the political situation.

The 23rd Party Congress has had important and positive repercussions. Contrary to the commentaries which foresaw a "retreat" or "freeze," it gave the authentic image of a party deeply rooted in the hearts of the people of France, one open and unifying, of a democratic party working out its policy in a large, free debate of all its members. It has created better conditions for developing its serious, constructive and innovative course, for helping our people find a positive way out of the crisis, for advancing from democracy to socialism in the colors of France. The progress reports should be continued and the brochures containing Georges Marchais' report and the resolution should be given to all members as soon as possible.

1. The 23rd Congress invited the communists to join the popular masses on all fronts in order to organize action, obtain whatever is possible and promote justice and democracy. From metallurgy to public offices, from coal mining to manufacturing and the dockyards, the present social movements are displaying the workers' combativeness, their opposition to the high cost of living, unemployment and the dismantling of the national potential. At the same time ownership and government are blocking the negotiations and employing intimidation, repression, police intervention and provocation. In this complex situation the communists are placing themselves at the head of the struggle and are lending their support to the workers, who are fighting for spending power, employment and freedoms.

2. It is in this context that the campaign for the election to the European Parliament is taking place.

All the tickets except that of the CPF are avoiding the heart of the debate, concealing the real political stake of this election. It's a festival of demagoguery and deceit.

Our party's campaign is starting to dispel this mist. Our explanations, our revelations, the vigor with which we have taken stands against the sacrificers of employment, territory and France and our fight for national independence and a workers' Europe have begun to shed light. The convergences between the real political plans of the tickets of Simone Veil, Jacques Chirac, Francois Mitterrand, J. J. Servan-Schreiber are more clearly apparent.

But there is still much to be done in a few days in order to get millions of people, in a spirit of broad unification, to vote for the ticket headed by Georges Marchais.

The intensification of integration, the enlarging of the Common Market would aggravate austerity, unemployment, the loss of liberties. All those who oppose this policy have but one recourse on 10 June, and that is, to vote communist. The government and social democratism pose a threat to national independence; all those who want to join together in order to preserve the sovereignty and freedom of action of France have only one recourse on 10 June, and that is to vote communist. There are many who are willing to construct a new union in order to make progress. Each vote for the communist ticket will contribute to this union. The future, for one thing, depends on the national tally which the PCF will receive. The millions of votes that it will receive will be a point of leverage for struggles and successes. The more communist votes there are, the more deputies there will be in the European Parliament on whom the workers and the French people can count to defend their interests, the interests of France, to act with a view to a workers' Europe.

3. In view of the considerable resources put into operation by the other tickets, in view of official pressure on the voters, the 700,000 communists are mobilizing in order to explain and persuade.

Our messages on radio and television and our large-scale initiatives at the regional and provincial level have made our arguments, our objectives, and our candidates known. At the same time it is of prime importance to develop diversified explanation, discussion and persuasion activity at the grassroots level. The advancement of major ideas on which we can unit the millions of women and men, workers, employees, peasants and intellectuals essentially depends on this in-depth work.

This work can and must be developed at first in the enterprises, the industrial zones and the workplaces in general. It is there that the party organizations are distributing newspapers and leaflets as a matter of priority and organizing dialogues and debates. It is there that they are having bills in the enterprises signed which make partners of wage-earners in all their diversity.

In the cities, districts and new residential areas a door-to-door method makes it possible to multiply contacts by giving the party newspapers directly to the residents while engaging in discussions with them.



In rural communities the communists are increasing the number of meetings and contacts with peasants and all residents in order to convince them of the necessity of voting communist.

All the party organizations are rapidly distributing the newspaper FEMMES AUJOURD'HUI ET DEMAIN which makes it possible to develop discussions with the women voters.

Particular effort is being devoted to young people, who must be informed about the responses which our party is offering to their will to live, study, and travel in the country, to participate in decisions and to advance toward a world of peace and brotherhood.

The communists are ensuring the presence of our party's posters throughout France, down to the smallest villages.

In conducting all these activities, the organizations and members are striving to develop the sales of our newspapers, in the first place, of L'HUMANITE. They will crown this campaign by organizing a special sale of L'HUMANITE DIMANCHE on 8 and 9 June.

Naturally, all these initiatives are accompanied by a systematic drive for obtaining many new members and for assuring the success of the subscriptions.

Much mass work remains to be done, and each day is precious. The Central Committee is convinced that the entire party will accomplish this task with the spirit of initiative which it knows how to display in important political battles.

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COMMUNIST NATIONAL DEFENSE COMMITTEE CHAIRMAN VISITS PRC

Paris LE MONDE in French 29 Jun 79 p 8 LD

[Alain Jacob Report: "A PCF Deputy Takes Part in a French Parliamentary Mission to Beijing"]

[Excerpts] Beijing--In his capacity as chairman of the assembly's National Defense Committee General Bigeard has been the guest of the Chinese Foreign Affairs Institute since Wednesday 27 June. During his visit he will meet senior officials from the PRC's armed forces. On the first evening of the visit General Zhi Hactian, 53-year-old assistant chief of staff and leading figure in the Chinese military machine, attended the dinner given at the French Embassy for the French delegation.

The French delegation's visit also marks a politically significant event. Mr Girardot, PCF deputy for Alpes-de-Haute-Provence, is one of the French parliamentarians in the delegation. This is the first time since the early sixties that China has allowed a PCF member to be included in any of the French parliamentary delegations it has received.

The Chinese attitude has certainly become considerably more flexible in this field recently. Last fall a PCF member--Mr Dumont, editor of L'ECHO DU CENTRE-LA MARSEILLAISE--visited China with a French provincial press delegation.

CSO: 3100

## ELLEINSTEIN, MARCUSE DISCUSS NEW DEVELOPMENTS, TRENDS IN COMMUNISM

Madrid BLANCO Y NEGRO in Spanish 30 May - 5 Jun 79 pp 10-15

[Interview with philosopher Herbert Marcuse, in San Diego, California, by Jean Elleinstein; date not given]

[Excerpt] Social Democracy and Communism Have Failed

[Elleinstein] Ideology becomes action when people want something, because they are motivated to do it. They do not necessarily do it in a general concept of revolution, saying "We will wage a revolution," but rather they act through a series of actions directed in a certain way against the very foundations of the society in which they live and which lead to changes in that society. What is new at this end of the 20th century is that it is beginning to be understood to what point ideology plays a decisive role in economic, social and political changes, when the people do not want these changes to be imposed by brute force and to lead to events such as have been known in past history and in the Soviet Union in particular.

I believe that it is precisely on the level of relations between ideology and action, between the political system and the economic system, that developments lead to the gradual finding of new paths towards socialism, which will not be the traditional social democratic paths, which failed because they did not reform our economy and our society, nor the traditional communist paths, because they have not led to revolution either, as defined by the communists when the communist parties were created. We are faced with a double failure on the part of social democracy and traditional communism.

[Marcuse] I see a difficulty: the new values, the new ethics are found mainly in the marginal groups, for example the student movement, the feminists, etc.

[Elleinstein] The ecology movement...

[Marcuse] Very important, the ecology movement. They are not class movements. This is a new phenomenon.

[Elleinstein] This is true in part in the United States, but less so in Europe, because the workers, influenced by their parties and their trade unions, are more active, more aware, above all in those places where the communist parties are powerful.

[Marcuse] The new movements do not yet have real articulation, but it is stupid in my view to speak of 1968 as a defeat. On the contrary, it is my conviction that this was a victory, even a long-range triumph. The concept of 1968 penetrated the social body, and even the establishment, profoundly. This is very clear in the United States, for example, in connection with the ideology of labor. What 10 years ago was still a marginal phenomenon is a mass phenomenon. It is not laziness, but the refusal to do certain kinds of work and in certain ways.

[Elleinstein] There are not just positive aspects, because the Chicanos and blacks are used to do this work.

[Marcuse] This means that there is a profound change in the awareness of the workers. It is their way of challenging capitalism, the means of production, its efficiency. And this is the direct consequence of 1968.

[Elleinstein] Precisely, and where the communist parties of Western Europe are concerned, it is my impression that the changes which are affecting them currently in an undeniable and contradictory but nonetheless real fashion, in other words the critical approach through which the reality in the Soviet Union and other supposedly socialist experiments are being contemplated, the challenge to Leninism in certain fields, internal democratization, the new concept of revolution in our era, are the direct and real consequence of the events of May 1968. It is what is called Eurocommunism.

[Marcuse] But what does it mean to be a revolutionary today? Is it a question of the masses or of individuals?

#### The World Has Changed Since the Time of Marx

[Elleinstein] It depends on the meaning given the word revolutionary. If you presume as you did a moment ago that the concept of revolution as Marx developed it is no longer functional in the contemporary Western world, because that world has changed since the time of Marx, and that what is needed is not to reject the thinking of Marx but to develop it, reflecting first on what the contemporary Western and capitalist world is, and secondly upon the new revolutionary paths derived from that analysis of this world, one can then give a new and different meaning to the word revolutionary, in comparison to the way it was formerly used.

[Marcuse] The new meaning of the word revolutionary, I would say, is the common struggle, not only for a society with different institutions, but for what is called a new quality of life. This means a revolution which changes the very existence of individuals, a total transformation of the values, etc. It is true that this is not in any way today the ideology of the mass organizations nor does it describe the conscience of the masses.

I think that the conscience of the masses everywhere today is more petit bourgeois than revolutionary. In any case, this is the situation in the United States. I do not speak of France or Italy, where a strong Marxist tradition continues to exist.

[Einstein] Exactly. I would like to have the new meaning of this word revolutionary made precise. There are two new types of struggle which have been begun and strengthened since 1962. However, in the final analysis, for all kinds of reasons, the Western communist parties have not sufficiently understood them, above all the French Communist Party.

[Marcuse] Do you know who has understood it? The dominant class. It has seen the danger.

[Einstein] What can be said is that the events of 1968 in the long run have borne fruit, for in France, Italy, and in Spain, the countries where the communist parties are relatively strong numerically and in which the classic revolutionary traditions are important, we are witnessing major transformations in the state of mind. This is difficult to achieve, because the communist parties are institutions, and as in all institutions, changes become complex. It is difficult to change an institution, whatever kind it may be--a state institution, a university, a church or a communist party. Change is always complex, even very painful in certain respects. But major changes have been visible after all for several years, much more in Italy and in Spain than in France.

[Marcuse] What in your view are the real reasons for these changes?

#### The Soviet Failure

[Einstein] The real reasons are a gaining of awareness of the Soviet failure, in other words of the fact that the Soviet Union is a country where bureaucracy dominates. Marxism there is much more of an ideological cover, a profound thing, which you showed in your book on Soviet Marxism. These ideas have penetrated the Western communist parties in depth because they are consistent with the reality: as frequently happens, you made the mistake of being right too soon. From this point of view it is in all ways an important historical phenomenon.

[Marcuse] It is not solely because of this problem that it is important to question the past: it is a question of the change in the composition of the workers' class, in awareness, and not only the situation in the Soviet Union.

[Einstein] No, it is not only the problem of the situation in the USSR, but this is one of the decisive elements. For in order to see Western society as it is and to derive new prospects for revolution in our era according to new prophesies, it is clearly necessary to do away entirely with a past which has weighed heavily, through the communist parties, upon the shoulders of millions and millions of workers and intellectuals on which it had an



influence. When one thinks, for example, about the influence Stalinism had on the French Communist Party over a long period of time, I believe it is absolutely decisive to make this criticism of the USSR. That having been said, you are right, in that it is not enough to criticize the USSR and one cannot content oneself with that.

But whatever the case, the understanding of these new problems is linked, to a great extent, with the defeat of theoretical dogmatism and the implementation of Marxism in the true sense of the word, that is to say in its methodological significance, because I believe that you will agree with me basically that the thinking of Marx is, above all, a methodology for the study of economic and social formation and also the links between ideology and economics.

To embark upon this path is absolutely decisive--not in the United States, precisely because there is no influential communist or socialist party and American history is very different--but in any case in countries such as France, Italy and Spain, and even in countries where the socialist and social democrats are influential, such as England, Sweden and Germany.

It is obvious that we are dealing with a kind of wave which began with the events of May 1968, and on the basis of this new attitude since that time, the Western communist parties have been called Eurocommunist. Is this new attitude a circumstantial posture or is it the dawn of a new historical movement? In my view, this is one of the major questions that we can ask ourselves today.

[Marcuse] It may be, and I believe that this is the most central development, the fact that the workers' class increased now in size, makes up the vast majority of the population. This is the first time in history that the concept of revolutionary democracy can benefit from its validity and its real potential.

#### Self-Administration

[Elleinstein] It seems to me an interesting idea. Perhaps you could develop it in connection with what is called democracy at the base--what was called democracy of the committees, of the soviets, in 1917 and 1919.

[Marcuse] I believe that the democracy of the committees is today the proper form of struggle. It is a matter of the training of the committees for this system, because it is not possible to establish this system within the framework of capitalism itself, but it is possible to prepare for it on the local, municipal and regional levels, in the cultural institutions and outside of them. It seems to me this is the political form of a truly democratic revolution.

[Einstein] It is what is called self-administration in France.

[Marcuse] Yes, exactly. But not only in the factories--everywhere, in the whole social division of labor.

[Einstein] Indeed, in all the actions of daily life. This is what is decisive today, that the forms of the political phenomenon be compared again with the old forms we had known, which were purely parliamentary systems. With regard to the state, making ever greater incursions, the people are seeking new structures and new prophecies of democratic development. But does this in your view entail the maintenance of formal freedoms?

[Marcuse] What formal freedoms?

[Einstein] Freedom of the press, for example.

[Marcuse] Naturally, if you want a society with a basically distinct quality, freedom of the press is naturally indispensable.

#### The Bourgeois Freedoms

[Einstein] I ask this because for a long time there was within Marxism and the workers' movement a discussion contrasting formal freedom, which was called bourgeois, with real freedom, which was called socialist. Now then, experience has shown us that the committees, without formal democracy, as Rosa Luxemburg foresaw in 1918, could come under the sway of bureaucracy, as happened in the Soviet Union. And thus my question. The role of formal freedoms is underestimated.

[Marcuse] Why do you call them formal?

[Einstein] They are formal in the sense that they are legally established. There are juridical forms which guarantee these freedoms.

[Marcuse] You mean the bourgeois freedoms.

[Einstein] In my view they are neither bourgeois nor proletarian. I mean that they are of value in and of themselves, independent of the class system making use of them.

[Marcuse] It seems to me that in a period of extended and intensified repression, the defense of the bourgeois freedoms is a matter of life and death.

[Einstein] Indeed, I agree. But it is a question of life or death for the societies which claim to be socialist too. One does not find in them democracy in the broad sense of the word, nor public freedom, nor freedom of the press, assembly or affiliation. And the soviets, that is to say the councils, have gradually been emptied of their democratic content. Marxist thinking underestimated this factor.

For example, Lenin said that it was a mere political category, and I believe that the problem is to know if it is that or whether on the contrary it is something more profound, more necessary, universal.

[Marcuse] In fact, there is no democracy in the committees, no self-administration possible, without these freedoms.

[Elleinstein] This is a crucial point in the discussion within the workers' movement today. Because from a certain point of view it is the focal point for the development of a certain number of schisms. For these formal freedoms continue to be denied.

[Marcuse] I believe that democracy at the base does not suffice, because the committees are created on all levels of society, not only the base, but also, for example, in the bureaucracy itself.

[Elleinstein] Yes, because the class struggle precisely affects the state itself, due to the fact of the role the state plays today in the developed countries. It is correct what you say, and from this a new theory of revolution in the state system itself and in the relations between individuals and the state as they operate today can be derived. The state is not just a tool of class domination by one class over the others, but also the product of the division of labor. And as it plays an increasingly important role economically, socially, politically, culturally, ideologically, etc., we must recognize the importance of this phenomenon and its novelty.

#### Democratizing the State

[Marcuse] What should be done with the state?

[Elleinstein] I believe it is necessary to make it democratic.

[Marcuse] It is not necessary to destroy it. That is obvious.

[Elleinstein] Obviously it cannot be destroyed. It can be transformed by means of internal struggles, by means of the development of the committees, the councils, to which we have just referred, within the state structures themselves. And it is possible to democratize it profoundly.

The concept Marx had concerning the decline of the state, which is a profound and entirely basic idea, continues to be true. It is simply that the stages of the decline of the state passed through its democratization and the development of these multiple committees.

[Marcuse] It will be necessary to retain this state, but with a minimum of bureaucracy, which will be needed for the administration of affairs, as Marx said. It is this idea which must be developed, because it seems to me essential. We must return to what we said at the beginning, the crisis in capitalism, which you do not deny, but which is evidenced as a crisis of successive adaptations, preparatory to its disintegration. Just as it has always been in the history of capitalism.

[Einstein] That is true, but at the same time it prepares for its own disappearance. Another hypothesis Marx held which has proven false is the somewhat apocalyptic notion of the end of capitalism.

[Marcuse] It is proceeding toward catastrophe, but perhaps not in the apocalyptic sense.

[Einstein] Let us return to the ideological crisis of which we spoke before. Marx himself situated the catastrophe precisely on the economic or military level, or on the purely economic level, saying that capitalism would disappear of its own accord because it would not be capable of guaranteeing its own development.

What is your view today of what they call Eurocommunism? Did you hear Azcarate, one of the leaders of the Spanish Communist Party, when he came to San Diego to give a lecture? It would be interesting to know your opinion, which I would call historic. I am not speaking of what Eurocommunism is, because it is not so much yet, but of what it could be. Does it have the allure of a new historical movement which, from a certain point of view, returns to the thinking of Marx while profoundly adapting it to what Western capitalist society as you define it is?

[Marcuse] I think you have answered the question. Eurocommunism is the response to the real situation of developed capitalism and the situation in the USSR. It is the awareness that there is no revolutionary situation in the capitalist countries.

[Einstein] In the traditional sense of the word.

[Marcuse] In the traditional sense of the word. In other words, in terms of the concept of the revolution according to Marx. The major problem is the following--whether Eurocommunism can avoid slipping into a new social democratic policy. Social democracy is the political form of transforming the Marxist proletariat into a workers' class which is increased and integrated in the capitalist system. It is the result of the very dynamics of advanced capitalism. If this integration weakens, is it possible to return to a revolutionary policy?

#### No Proletarian Majority

[Marcuse] It is no longer possible to speak of the proletariat as the majority of the population, and there is no longer talk of the dictatorship of the proletariat. And the reason lies in the facts.

[Einstein] And the facts are stubborn, as Marx said.

[Marcuse] Indeed.

[Einstein] They can be ignored part of the time, but not all of the time. We would like to return to a detail which seems to me interesting. When I set forth these ideas about Eurocommunism--not only in the United States, but also in France, Italy, Belgium and Switzerland--when I related them to

the events of May 1968, with the criticism of Stalinism, with the development of true democracy which is occurring within the state itself, retaining the basic freedoms and insisting precisely on the importance of these basic freedoms, some responded, not in an interrogatory fashion, as you have so cordially done, but by stating categorically: "Well, but basically that is social democracy."

[Marcuse] Obviously it is a temptation for the large communist parties to become social-democratic, but it appears that viewing problems in this way means seeking to apply terms and criteria from the past to the present and the future. We are entering into a new historic period.

[Eisenstein] Which you would describe how?

[Marcuse] Well, by the predominance of the new problems of society and culture, ideology and life style to which capitalism has given rise. We need not await the economic collapse of capitalism. It is still capable of adaptation, but the social, political and ideological fabric which sustains it is weakening.

It is in this sense that 1968 was not a defeat.

Eurocommunism represents the beginning of clarification in the European workers' movement. I do not know what its future will be, but it represents the outline of a new path.

5157

CSO: 3110



## U.S. MILITARY COMPLEX'S EXPLOITATION OF ITALY CRITICIZED

Moscow KRSNAYA ZVEZDA in Russian 7 Jun 79 p 3 LD

[Article by I. Yurkov: "Military Business Secrets": "Pedlars From the Apennine Peninsula"]

[Excerpt] Italian military manufacturers know how to set traps for the trade unions. Some 170 major companies and firms participate in the flourishing production of lethal wares. They provide earnings for 300,000 people. The demands of the democratic parties and trade unions to limit the arms race are immediately parried by arguments about the need to dismiss many thousands of workers. The industrialists prefer to remain silent on the fact that this same manpower could be employed in nonmilitary production; but the switching over of the military industry to peaceful lines, they assert, without adducing any proof, would require "expenditure which the Italian economy cannot of course afford." The trap snaps shut.

As any business bringing in profits running into billions, the trade in "death, Italian style" has its own carefully preserved top secrets. Who in Italy is able to explain, for example, the unparalleled speed of the planning, putting into production and testing of the most complex missiles, jet engines, and sophisticated guns for which others require many years? Italian genius has nothing to do with it. The readymade [gotovenkiy] plans, technology, and test results flow into Italy, it seems, from the NATO partners including from over the ocean. Uncle Sam's mighty military-industrial complex does not keep its refined devices for exterminating people a big secret from its younger NATO partners.

Those who may decide that Atlantic solidarity between the NATO members takes this form are making a naive mistake. Something else is at work here. The basis of these relations is the international compact between the merchants of death. Recently the Italian weekly IL TEMPO revealed several secrets of the Italian arms business. The American Lockheed Corporation, which was a regrettable notoriety for the magnitude and the all-pervasiveness of its bribes, feels quite at home in the Italian corporations Aeritalia and Aermacchi. Likewise, Boeing feels at home in Agusta and Meridionali, and General Electric in Alfa Romeo and Fiat. There are also a dozen or so other very big corporations of the U.S. military-industrial complex which

are fraternizing with Italian military industrialists. The "fraternity" of the arms producers expressed in a total turnover of about \$4 billion! The transatlantic colleagues in the death business produce almost everything which shoots, explodes, burns and incinerates, partially by using Italian labor. This is without doubt the largest cooperation between imperialist states in the sphere of joint arms production.

By this "cooperation" in Italy the Americans are killing two birds with one stone. Italian labor is still the cheapest on the industrial markets of the developed capitalist countries, and that means that the profits from "cooperation" are bigger than anywhere else. The "cooperation" binds Italian industry tightly to the U.S. war chariot. Moreover the Yankees obtain additional channels for the sale of their arms in the Third World by making use of Italian businessmen's ramified trade network.

And it is no accident at all that the Chinese scouts reconnoitering the military market turned to the Italian deathmongers. It was not only the assortment of arms which attracted them here. It was the Italian military-industrial magnates' appropriate political philosophy which drew the Chinese hegemonists to the Apennine Peninsula like a magnet. The bourgeois press is hastily describing that from which pockets can be suitably lined at the expense of the starving Chinese people. The weekly L'ESPRESSO, reminiscent of a prosperous pedlar, spread the wares before the Chinese: Here you have patrol ships produced by the Cantieri Navali Riuniti Company with a displacement of 2,400 tons, and equipped with "the kind of guns, missiles and machineguns as no ship of this kind has ever been equipped before." And here are missile carrying frigates with a displacement of 3,000 tons "capable of executing any task at sea," and hovercrafts with a speed of 93km/hour with guns and "ship to ship" missiles, and Cantieri submarines specially for "hunting merchant ships" (this is precisely what the Chinese are lacking in the Southeast Asia basin!)

Then followed a wide assortment of arms made by the companies Aeritalia, Macchi, Agusta, Oto Melara, Selenia--fighter aircraft, tanks, helicopters, missiles, tracking apparatus, devices for monitoring the accuracy of fire, and so forth.

Judging from published reports the Italian military-industrial complex is prepared right now to sell the Chinese a genuine novelty from the Italcantieri Company--a Garibaldi helicopter carrier (easily convertible if necessary into an aircraft carrier). Moreover it is directly hinted that Harrier vertical takeoff aircraft which the British have promised the Chinese can be conveniently housed on the deck of this "genuine novelty!"

Italy currently occupies fourth place in the lethal wares trade. One quarter of American nuclear warheads in Western Europe are located on Italian territory according to Western press data (some 1,500-1,700 warheads out of a total of 7,000). This is not fortuitous. In the same way it is

not fortuitous that American industrialists along with handing over licenses also pass on the kind of morality to the Italian arms concerns which permits unrestricted trade in death. Uncle Sam knows where to catch the big fish. The Italian economy which is in a really bad way serves for American imperialism as the murky waters in which the Lockheeds, Boeings, Hughes, Northrops and many other American military industrial predators can poach with impunity. Going hand in glove with the Italian oligarchy, the United States is trying to keep Italy on NATO's short rein. And they are succeeding in this; not of course without the aid of the powers that be.

CSO: 1800

## SKYLAB LACKS THIRD-PARTY DAMAGE INSURANCE COVERAGE

Turin LA STAMPA in Italian 26 Jun 79 p 12 LD

[Giuseppe Alberti commentary: "Some People Are Insuring Themselves Against Damage From the Fragments That Will Drop Out of the Sky"]

[Text] The 80 tons of metal of the Skylab satellite (about the height of 80 mid-size cars totalling a length of about 300 meters), including sophisticated electronic instruments, are moving toward our planet. The experts assert that the mass of metal will partially disintegrate on contact with the atmosphere and that only part of the material will fall to earth. The NASA base computers have not yet stated the exact point where the fragments will land.

Fortunately, however, contrary to what happened with the Soviet Cosmos which landed in Canada last year, the U.S. satellite is not carrying any radioactive substances. "Impact" damage could therefore be caused, but no contamination. Leaving the experts to argue about the technical results of the work carried out by the satellite and the cause that made it fall, let us try to analyze the economic repercussions of damage to things and people which the "object" could cause.

Let us start by saying that, contrary to what would be permissible to suppose, especially if one considers that the United States is (second to the London market) the insurance mecca, it seems that NASA's U.S.-made satellites are not insured against third-party risks. It is therefore foreseeable that claims would have to be borne by the U.S. government administration in accordance with international agreements. It is obvious that if responsibility for the accident is to be ascribed to a contracting company, the one that built the aerials, for instance, the state will reimburse it.

As far as the Chinese missile industry is concerned, the same would happen: the Beijing government would pay for the damage. The same applies to Soviet "objects."

In the event of claims being made against Soviet insurance, it is certain, however, that compensation would be granted quickly. Indeed in the case of the shipwreck of the Andrea Doria, the share of the insurance borne by the Soviet shipping company [Compagnia di Bandiera] was the first to be made available to the shipowners.

In Italy, the people in charge of space navigation have been very cautious, the "Sirio" satellite has been insured by the Generali Company for 21 billion lire against first-party damage to the extraterrestrial vehicle and for 90 billion lire against third-party damage.

To return to the U.S. satellite, a major American electronic industry has recently taken out a policy covering its responsibilities deriving from the outcome of the landing. The company which supplied the on-board computer has insured itself against possible errors in the satellite's course. If, for instance, the computer fails to "obey" commands and Skylab, instead of landing in a deserted area, lands in an industrialized area, the insurance would come into effect. In this case also, as in the case of Sirio, an Italian insurance company is involved. The company which supplied Skylab's computer has insured itself for several hundred billion lire with Generali, who will, in the event of a disaster, pay out a proportionate sum.

Apart from the policies against "space risks," individual insurances have been taken out against damages from the sky. In the United States, Germany, Austria and even at home, some people (and companies) have turned to the insurance industry for "passive" protection by means of an insurance policy.

CSO: 3104



## ARMED FORCES INCREASE RELIANCE ON DOMESTIC ARMS INDUSTRY

Milan IL BORGHESE in Italian 10 Jun 79 p 342

[Article by General Tommaso Argiolas: "Arms, Industry, and Politics"]

[Text] Anyone who follows the vicissitudes of our Armed Forces is acquainted with the program to modernize their arms, approved by the so-called "promotional laws." It is a plan that affects all of the equipment sectors of the Army, Navy, and Air Force; that involves the appropriation of a great deal of money; that involves enormous interests at the industrial level; that has prompted parties and powerful groups and customers to take action in order to obtain orders; and that obviously attracts the intervention of foreign industries.

National industries at present are in a position to produce well and rapidly in almost all of the arms sectors. It is known that Italy occupies fifth place in the world classification of industrialized countries that produce and export arms, ships, planes. Our commercial balance in this field has always had a credit balance, and it has obtained good currency for us, even during the most serious moments of our crisis. The situation is therefore very favorable for our Armed Forces. In fact, they have at their disposal a modern and technically advanced industry that can satisfy almost all of their arms requirements in a short period of time and with very satisfactory qualitative products.

But our Armed Forces at present are quite contained and therefore the national arms industry would not be able to sustain itself solely with Italian military orders. Therefore it is necessary, and indispensable, that they produce and sell abroad. In this way, our Armed Forces will always be able to benefit from a military industry that is technically advanced and able to furnish them with sophisticated products, at prices that our defense budget can tolerate. The very costly research, study, and experimentation with respect to new equipment in this industry can be sustained from the profits of an active exportation, to the full advantage of our army.

But this fine picture is about to be threatened by governmental decisions, adopted perhaps as a result of foreign pressure (so it is said, unfortunately) that are directed at reducing exportation of military equipment abroad.

This measure might annul all those benefits that the Armed Forces obtain from an active and advanced national arms industry. Thus, later on, as many anticipate without daring to say so openly, there will be a reduction in that political autonomy of the country that is qualified by the availability, or lack, of national arms industries, rendering us in this field, too, increasingly dependent on foreign countries, as occurred, for example, with the disastrous agricultural policy pursued by all shades of our political leaderships and those of the opposition.

There are also certain aspects that must not be omitted in this analysis of the application of the promotional laws:

- a) The strong foreign competition, which often operates through foreign interventions from government to government, for the purpose of obtaining preferential choices;
- b) The competition among national industries through which, because of political interferences—lawful or otherwise—it is often possible to arrive at the conclusion that the best prototype of some specific fighting equipment, or of any other kind, be set aside for one that is less good, but "recommended," or "imposed," by spheres of political and economic power. This phenomenon already existed during the fascist period and now in spite of criticisms "regarding the methods" of that period, it is again taking place with greater earnestness.

The presence on the market of both national and foreign industries makes it possible for the Armed Forces to choose the best and most economical equipment, while always keeping in mind the necessity of assuring ourselves the possibility of a supply of spare parts and rapid transition to more intense production in the event of wartime needs. But the "time factor" also has a bearing on this choice: both with regard to the time needed to apply the promotional laws, and the amount of time the crisis of operational effectiveness of the Armed Forces that are in a phase of re-modernization, or of replacement of all types of military arms or equipment, would have to experience. In this regard, we must point out that our Armed Forces, the army in particular, have always been very slow to adopt new equipment. They were in the past and still are. For example, more than 30 years after the most recent conflict, our land units still lack adequate anti-aircraft artillery defense, up-to-date equipment for night combat action, and efficient anti-tank defense.

Programs to apply the promotional laws are in existence, or are in a modernization stage. There are also organs to supervise the enormous

problem, such as the "National Armaments Department" (DNA), presently headed by the Undersecretary of Defense, the Honorable Mr Petrucci, and Assistant Secretary General of Defense, General Moizo. Their responsibility is quite considerable and the economic and political power that is concentrated in their hands is great. They must harmonize the primary and urgent need of bestowing operational effectiveness to our Armed Forces, and consequent credibility among the allies and the potential adversaries, with the requirement of: a) granting orders to national industries; b) having the moral strength to prefer foreign industries, if the foreign supply is more rapid and qualitatively better, without fearing involvement in events similar to the one that concerned the supply of the HERCULES; c) having the same moral strength, or independence of judgment and of decision, in order to prefer, from among the national industries those that offer better equipment than that "recommended" by powerful groups and customers that manufacture equipment of inferior quality which in war time, as has already happened, would cost the blood of our soldiers. Moreover, they must energetically demand, and obtain, the money that is needed to maintain an unadulterated fulfilment of the program, in spite of the foreseeable and steady increase in costs.

It is obvious that in this process of the strengthening and improvement of the operational capability of our military apparatus, our military chiefs must have an important voice; they absolutely must choose and adopt the best equipment; must resist political pressures aimed at containing expenditures or distributing them not in accordance with operational expediency and need, but on the basis of customer "preferences."

8255

CSO: 3104

## ALTERNATE ENERGY SOURCES DISCUSSED BY EXPERTS

## ENI Report Viewed

Milan SUCCESSO in Italian May 79 pp 64-66

[Article by Gianfranco Ballardini: "Third, Fourth Solutions for Energy Problem Emerge"]

[pp 64-66]

[Text] The Harrisburg incident was only the opportunity. The fire had always been smoldering: Fear of the atom is too great. The energy can liberate is so fearful that no probability calculation really persuades anyone that there is no risk in a nuclear power plant. And even if catastrophe did not strike America, a halt in nuclear progress (which in truth has already slowed down) is inevitable. This is true everywhere. In Italy, however, where polemics and conflicts have already begun, it can be foreseen that the achievement of the so-called nuclear plan will be slowed down by slippage, postponements, changes in size. Perhaps it could even be wiped out if the effort succeeds to hold a referendum to halt Italian development of nuclear energy. However not everything is for the worse: The present pause for thought can be an opportunity to deal in general terms with the energy question. Italy has always evaded this so much that no plan exists that can be called such. Now an ENI [National Hydrocarbons Agency] research project appears to be getting things moving. In many ways, the results of research appear overwhelming, capable of overturning and revolutionizing the energy problem. What is involved?

In the absence of a real national energy plan, ENI developed a report on final uses of energy. This shows that 31.7 percent of Italian energy consumption is absorbed by low-temperature heating. Tommaso Sinibaldi, of the ENI Planning and Development Office, explains, "One-third of the energy required by the country consists of degraded energy. But this demand theoretically could be filled both by byproducts of the present system of transformation of energy sources (in the first place, water used to cool hydroelectric plants) and with new sources: so-called renewable sources."

According to the best Italian experts, this is a revolutionary innovation. Explains Eugenio Tabet, radiation laboratory researcher of the Superior Institute of Health, "This is because the ENI study demonstrates that about one-third of Italian energy demand can be obtained from sources such as the sun and geothermal processes. To understand the importance of this data, it is sufficient to think that 12 plants planned in the so-called nuclear plan--if they existed and were functioning--would merely cover somewhere between 7 and 8 percent of the overall energy need, that is, an obviously limited slice. Instead, according to ENI, the sun and geothermal power, if the country were to decide to commit itself fully in this direction, could supply four to five times more energy."

In short, the ENI study not only denies the forecasts of ex-Industry minister Romano Prodi. (In an interview he said: "By squeezing everything, solar and other alternative energy sources, no concrete prospect remains outside of nuclear energy. And in order to avoid being blackmailed cyclically by petroleum, we need to shoot for 50 percent in nuclear energy. This means many more plants than those included in the first energy plan"). It also demonstrates that a national energy plan does not exist. The ENI report (which involved an overall commitment estimated at 100 man-months) is part of a research effort started by a famous article by Amory Lovins which appeared in October 1976 in FOREIGN AFFAIRS. Lovins proposed, in order to solve the energy problem, taking a completely new path based not only on nonrenewable sources (such as petroleum, coal and uranium) but on renewable and abundantly available sources in nature (wind, sun, geothermal sources, products of fermentation of organic substances) and on the decentralization of the energy system into small production units spread throughout the territory. The growing concentration, according to Lovins, could have very serious consequences on the social system, increasing risks of bureaucratic degeneration and threatening democratic order.

According to Lovins' approach, what interests the consumers is not knowing what product (coal, diesel oil, electricity) is being consumed, but getting the results needed: In other words the consumer is relatively indifferent regarding the product or the energy carrier, the only thing he asks is heat and light for his buildings and the production of steam and melting of metal. In the second place, Lovins observes that the energy market is not single and undifferentiated, but must be subdivided ("segmented," to use marketing language) according to the different qualities of service needed. This segmentation is extremely important because if we offer high-quality energy in response to a need for low-quality energy we are engaging in waste and therefore unjustified costs.

#### Where the Ex-Minister Errs

Staff members of ENI explain: "The national energy plan starts from a wrong premise because its authors have tried to achieve a quantitative forecast of demand in relation to income. The Italians, the national energy plan says, at present consume a certain quantity of energy: When their income doubles, they will consume twice as much. Instead, ENI started from a completely



different approach and we tried to analyze the energy market. The final uses of energy can be very numerous. Energy can serve to run an automobile, to heat a building, to light an apartment, to produce a chemical reaction, to run a boiler."

According to the ENI study, the final demand for energy can be classified in five categories: "Obligatory," that is indispensable, electrical use; use for transportation; low-temperature thermal use (up to 100 degrees); medium-temperature thermal use (from 100 to 250 degrees); high-temperature thermal use (over 250 degrees).

"Obligatory" electrical use represents all those sectors for which electrical energy is absolutely necessary: For example, this includes lighting, electronics, telecommunications, electrometallurgy, electrochemical processes, welding, etc. "Obligatory" electrical uses also include those for which mechanical energy is required and obtained by using electricity as the energy carrier.

Transportation uses (except those necessary for electrical traction which were included in "obligatory" electricity uses) are satisfied mainly by fossil fuels. Among the high-temperature thermal uses are furnaces for industrial processes and steel. Among the medium-temperature uses are essentially heat obtained from steam (for example, the paper and textile industry). Among those at low temperature, some industrial processes appear (such as those for preheating and precooking) and heating of office buildings, homes and industrial plants.

What are the results of the study? The ENI report has made it possible to establish five points: 1) 31.7 percent of the final use of energy in Italy consists of low temperature thermal use which mainly supplies the domestic sector; 2) 91.6 percent is absorbed by medium-temperature thermal uses, mainly for industry, much of this energy coming from the production of steam, often for cogeneration; 3) 26.1 percent is represented by high-temperature thermal use, above all in industry, some uses being tied to the employment of particular energy sources (the classical example consists of coke in steel making); 4) 10.5 percent concerns obligatory electrical uses, with electrical energy consumed being 12.1 percent of national consumption of energy; 5) The remaining 22.1 percent is used for transportation.

A total of 85 percent of the domestic and tertiary sectors use low-temperature heat and within this figure 92 percent is used for heating buildings and 8 percent for heating water. The remaining 15 percent is absorbed mainly by the industrial sector and includes both building heating and use for processing. For example, in the mechanical sector at least 25 percent of overall energy use goes for heating buildings. The range of low-temperature heat uses, therefore, constitutes a considerable percentage of national energy consumption in Italy. The study reports: "Having ascertained the total amount constitutes a particularly important achievement because the exact description of the characteristics of these uses could lead to reducing waste in those

areas even through the adoption of conservation measures and the employment of new energy technologies."

Medium-temperature heat is used in the industrial sector as well as the domestic and tertiary sector. In industries (food, textiles and clothing, chemistry, paper), medium-temperature heat uses are identified with process steam, some of which is obtained in combination with electrical energy through cogeneration. High-temperature heat uses represent, finally, 26.1 percent of the final overall use of energy, and all belong to the industrial sector.

"Obligatory" electrical uses equal 10.5 percent of the final total use of energy, while the percentage of electrical energy compared with national energy consumption is at present 12.1 percent. ENI says, "The comparison between the two indexes is very significant because it demonstrates the efficient use Italy makes of electrical energy: In the industrial sector, which absorbs 63 percent of total consumption, electrical energy consumption coincides precisely with the obligatory use of electrical energy."

Final uses for transportation (which represent 22.1 percent of total consumption) also include those for the fishing sector and for agricultural machinery, but exclude consumption by electrical railway equipment, which is included in the category of "obligatory" electrical use.

Comparison with some OECD countries made by ENI experts leads to the belief that overall the Italian energy system meets sufficiently efficient criteria. Ours, in fact, "is the country in which the difference between final electric consumption and 'obligatory' electrical use is minimal. That is, there is considerable restraint on 'improper' use of electrical energy in which the major losses take place in the phase of production and transportation. Compared with other countries, Italy also has the lowest percentage of low-temperature heat use and, excluding the United Kingdom, the lowest percentage of use for transportation. Instead, amounts of high-temperature heat used by the industrial sector is very high. That sector has a high incidence of production requiring high energy content such as steel, basic chemicals, the cement industry and the building materials industry."

The conclusion of ENI researchers merits particular attention even in light of the present debate on nuclear power plants. They say, "At this point it is extremely urgent to develop an energy plan based on final uses of energy. We cannot now ignore that more than 30 percent of national energy needs could be obtained, if there were a serious commitment, from readily available renewable sources such as the sun and geothermal sources."

# ITALIAN ENERGY BALANCE SHEET

(Final consumption of energy by sectors of use:  
In thousands of billions of kcal)

Sectors	Electrical Energy	Fuels	%
Agriculture/fishing	1.2	21.8	2.5
Industry:	69.0	336.6	44.4
Food	3.3	18.2	
Textiles and clothing	5.4	14.3	
Paper	4.2	13.6	
Chemicals	16.5	87.9	
Construction materials	5.2	57.8	
Glass and ceramics	1.6	25.1	
Nonferrous metals	5.1	5.0	
Steel	13.6	70.5	
Mechanical industry	8.8	32.3	
Mining	1.1	1.4	
Other industries	4.2	10.5	
Transportation:	3.3	186.7	20.8
Railways	3.3	2.3	
Roads and highways	---	163.2	
Maritime	---	4.8	
Aircraft	---	16.4	
Domestic and tertiary:	36.7	257.5	32.3
Domestic use			
Commerce, services and public administration			
TOTAL	110.2	602.8	100.0
Percentages	12.1	87.9	100.0

## Interview with ENI Official

Milan SUCCESSO in Italian May 79 p 67

[Interview with ENI Officials: "A Plan that Clashes With Many Interests"]

[Text] SUCCESSO asked the authors of the ENI study for a detailed explanation of its results. (The study was coordinated by Paolo Baronti, Eugenio Nardelli and Tommaso Sinibaldi under the direction of Marcello Colitti, central director for planning and strategy).

[Question] Does your study enter into the research field initiated by Amory Lovins?

[Answer] Lovins believes it is extremely important to know energy consumption not only in terms of quantity but also of quality. So far, most industrialized

nations have had abundant and sufficiently exhaustive information available in terms of products, but not in terms of final consumption of energy. In other words, it was and is known how much fuel oil can be put onto the market as gasoline, as fuel oil, but it was not known (even though this may seem strange to the uninitiated) where all this energy went and why it was used. This is important because energy differs in quality, and it is important to know the quality of final demand. This because if a given quality of final demand is supplied with energy of higher quality, there is considerable waste.

[Question] And how can this waste be avoided?

[Answer] First of all, by meeting the quality of demand with supply of a corresponding quality. A classical example of the wrong use of energy is represented by the electric water heater because on the supply side we have energy of high quality, such as electrical energy, while on the demand side we have low-quality utilization, such as hot water. That is, in order to obtain hot water, we do not need to use electrical energy. Let us not forget in fact that 1,000 calories of electricity which arrive in the homes of consumers equal, in terms of fuel oil, about 3,000 calories.

[Question] Is your study theoretical or does it also have operational objectives?

[Answer] It does not have operational aims. In order to do so it should be specifically developed. Once the quality of demand and supply of energy is determined, it would be necessary to establish what contribution can be made by the alternative sources of energy which are almost always of low quality. Since our study showed that low-quality energy demand in Italy is very high, we can deduce that alternative energies have, at least in theory, a large market.

[Question] But what can alternative sources of energy such as solar and geothermal energy really contribute?

[Answer] That question should be answered by the industry minister who, however, cannot do so because he lacks the men and means and perhaps even the political desire. The fact that Italy has pushed electrical energy, mainly may be due to a desire to push forward the nuclear program which involves thousands of billions of lire.

[Question] But the nuclear program is blocked because no region, whether rightly or wrongly, will accept the plants.

[Answer] Through our investigation we tried to begin a different dialog. The number one problem, for the moment, is to determine how much energy will be needed in the future and what is the most appropriate way to supply it. It is necessary to have an idea of future needs. Initial forecasts by the ENEL [National Electric Power Agency] were drastically revised and people have understood that from 1973 (the date of the Yom Kippur war) and later,

economic development has been accompanied by lower energy consumption than in the past. There has been a natural "shift" from high-intensity industrial sectors to low-intensity sectors.

[Question] Therefore the ENEL forecasts, which represented the foundations of the energy plan drafted by Donat-Cattin (that of the 20 plants) were wrong?

[Answer] One day it may be necessary to build a certain number of nuclear plants, but talk about 20 plants was not logical. How can you talk about 20 plants if no one has yet seriously calculated how much energy is needed and how we can supply it? Then, let us not forget that until 4 or 5 years ago in various countries there was the possibility of introducing electric heating in homes. It would have been folly, a colossal waste. If we were to do this, we would have an uncontrolled growth of electrical energy demand and we would have to build hundreds of plants to heat people's feet. This foolish idea was part of the program (which at a certain point was pushed forward particularly by the French) of "total electrification."

[Question] What caused these mistakes?

[Answer] First of all ignorance. The prejudice that economic development necessarily implies growing quantities of energy is even today slow to die. All those who maintain the contrary are accused of being "greasers." In the past 15 or 20 years, for a variety of reasons, economic development was effectively accompanied by growing consumption of energy, but in our view, all the premises, even theoretical, exist to affirm that this "trend" need not continue also because we are moving toward a society of services.

[Question] Has your study, which is certainly innovative, been taken seriously by the government?

[Answer] Not much so far, mainly because it clashes with special interests.

#### Discussion on Solar Energy

Milan SUCCESSO in Italian May 79 pp 68-71

[Article by Franco Vegliani: "Brother Sun Is now Closer"]

[Text] If everything goes well, one megawatt of electric energy representing power from a solar energy plant being built at Adrano, near Catania, will be fed into the ENEL network within 2 years. The plant is being built within the framework of EEC with 50 percent financing by the European Community, and 50 percent by ENEL and an international consortium of industries with Ansaldo representing Italy. This is not something new, but it is always newsworthy. It is important to assess its importance. One megawatt equals 1,000 kilowatts. Compared with the overall supply of national electrical energy this is practically nothing. A thermoelectric plant has an average putput of 320 megawatts; the Caorso Nuclear Plant produces 864 megawatts. It is even



a ridiculously low amount of power considering that expected from a solar energy plant whose optimal power is estimated between 20 and 50 megawatts.

Does this mean we are always merely experimenting with exploitation of solar energy? In a certain sense, yes. But this is second-class experimentation. The Sicilian plant repeats and multiplies the Sant'Ilario Solar Plant which is the idea of Giovanni Francia of the University of Genoa and was developed by Ansaldo. The university of Georgia, in the United States, bought the patent for this method. It is a system of mirrors which are mechanically positioned to receive the best impact of the sun's rays and they reflect the enhanced radiation onto a suspended boiler situated on a structure that acts as a solar tower. It heats water and transforms it into steam: 130 kg of steam per hour, at a temperature of 600 degrees and 150 atmospheres. This is sufficient to activate a turbine and transform thermal energy into mechanical energy and finally into electrical energy.

The production at Sant'Ilario is on the order of kilowatts. The Sicilian plant will produce one megawatt. This means that the experiment made considerable progress toward the operational phase and that the next step should be a commercial plant providing that the commercial plant will become profitable in addition to being feasible technically. And on this question there should be no doubt. The point is precisely this. The intermediate phase has the specific task of also testing--beyond the technical functionality on the basis of larger dimensions--the profitability of the producing electrical energy by the sun with the method of mirrors and a solar tower, and to establish actual costs. These are unknown at the moment, but at completion they can be calculated by multiplying the cost of one megawatt produced, taking into account economies of scale.

Within 2 years a negligible quantity will be produced and at a cost--it is not difficult to foresee--so high as to exceed the cost of liquid or solid fuels even though prices may still rise. Therefore the situation is this: Any refuge of consolation in the resources of solar energy--at a time, if not of panic, at least of strong anxiety over energy--does not seem worth encouraging. The solution is distant, even if it appears certain and experimentally assured. And then, even on the level of public opinion and on the level of psychological expectations, it is better to keep away from consoling enthusiasms. It is enough to be aware in a knowledgeable way that this is the road and that the future, even though it is not an imminent future, is without doubt on the side of the sun. But all of the future? And only on the side of the sun? This, too, is not true. Even this certainty, precisely because it is a certainty, is to be taken with well-considered caution. The energy men seek from the sun, even though it is potentially infinite, free and clean, available to all and therefore not subject to monopoly, will not be now nor for some time still the force that could substitute for all others. It will be a supplementary force. If exploited and used wisely, it will solve many problems. But no one must expect that it will solve them all.

## The Sun in the Water Heater

Electrical energy from the sun. We have barely talked about it: That solar plants are a reality and that a 1-megawatt plant will function in Italy within 2 years. But we also know, and we know it from the ENEL Research Office, that mere maintenance will cost more than the energy produced. And that we are very far from any hypothesis of true economic operation. However, another way exists to transform the sun's rays into electrical energy. And it is that of direct generation without heat as a medium, through photovoltaic panels. This is not the place to delve into the scientific and technical aspects of the method. It is sufficient to say that many semiconductors, and among these silicon, have the characteristic of generating current when they are exposed to light. It is a conversion of light into electrons. And it is something of immediate concern to Italy. Because it is in Italy that means for the production of photovoltaic panels are being organized through a program expected to become operational by 1980. The Solaris Company was established for this purpose. The Montedison Company is a minority partner alongside a group of private businessmen.

Why Montedison? Because the most suitable raw material in the photovoltaic process is silicon which must be purified to remove any foreign substance through a procedure that separates atoms. And this is a procedure that the Montedison Laboratories developed for studies of electronic production, making it the only Italian firm with a vast and consolidated experience on the subject. It is the ideal partner, if not the only one possible in Italy, for a photovoltaic company capable of producing cells, panels and systems of panels, the indispensable elements needed to capture the sun's rays, to transform them into electrical energy and to make them concretely useful.

We spoke of this with Vittorio Baldini of Montedison, who is in charge of marketing Solaris. He told us that future exploitation of solar energy must go mainly in the direction of photovoltaic cells. He also told us that we have gone beyond the experimental phase and have entered the operational phase. In the United States, a small company with a limited number of employees, no more than 200, established in 1973 by two Hungarian emigrants, produces them on an industrial scale for terrestrial applications. It is the first in the world that has transferred to the terrestrial environment the results of a technology which earlier had been applied only for space vehicles where the problem of cost had been considered irrelevant. Solaris is the result of a joint venture between Solarex and Montedison.

Then if photovoltaic panels are already being produced in the United States for terrestrial use, if they are about to be produced even in our own country, the problem of drawing electrical energy from the sun has been solved. All the more since the minimum cost, or at least the great availability of raw materials had been emphasized: The sun costs nothing and silicon is available everywhere in the world by the billions and billions of tons. Silicon, as everyone knows, is sand. But Baldini disabuses us quickly. It is not so. At the present time, and even with raw material almost at a zero price, the

production of electrical energy through photovoltaic cells and panels is one of the most costly. The procedure of purifying silicon and producing reliable solar cells and panel systems is costly.

Baldini says: "The costs could fall dramatically. But only when production can be achieved on a vast scale, attracting a broad market. This will not happen, because buying photovoltaic panels today is not profitable for almost anyone. Every other source of energy costs less. No one, or almost no one, is willing to spend more than \$10 per watt when conventional plants can supply electricity at enormously lower costs. It could become economically worthwhile on tops of mountains or in the desert where the electrical power network does not reach." Actually the strongest demand in the photovoltaic sector comes paradoxically from the nations of the Middle East which are rich in petroleum. And its use at peak efficiency is in isolated localities that are difficult to reach: To supply plants that need electrical energy and are situated in inaccessible areas. Thus we are faced by a closed circle: A cost that remains high because of a small market, and a small market because of the excessively high price.

#### Reserves and Consumption of Natural Gas (billion cubic meters)

	Reserves end '78	Consumption 1978
Western Europe	4,100	210
of which: Italy	195	27
Holland	1,700	41
USSR	24,000	340
Middle East	16,500	40
United States	5,600	580
World Total	70,000	1,410

#### Italian Energy Sources

	1978		1985 Energy Plan	
	million tep*	%	million tep	%
Coal & lignite	10.7	7.4	15.2	7.4
Natural gas	22.5	15.5	34.7	16.8
Petroleum	99.5	68.6	134.1	65.1
Hydroelectric energy	11.5	7.9	12.0	5.8
Nuclear energy	1.0	0.7	10.0	4.9

\* (equivalent tons of petroleum)

Gas in Europe (millions of tep)

	EEC	Germany	France	Italy	Holland	Great Britain
Production	143.7	15	5.9	12.9	74.9	35.0
% consumption	36.2	13	15.5	50.4	96.9	26.7
Imports	12.2	23	11.2	9.0	41.2	1
% of other energy sources	2.2	15.8	7.8	7.7	—	1.1
Gross consumption	155.9	38	17.1	21.9	33.7	36
% of other energy sources	16.3	14.6	9.5	15.5	44.5	16.7
Degree of dependency on foreign sources	7.8	60.5	65.5	41.0	122.2	2.7

This is not necessarily a permanent condition. It could also be believed that time will see the photovoltaic cell prevail. But it can already be said that it is not something for the immediate future and that many efforts from all quarters must still be made to unblock the situation. It means that even with the production of panels and systems of photovoltaic panels carried to the industrial level, an alternative energy that is easily and immediately available and at a lower cost than energy produced with traditional fuels is by no means close. Certainly, the rise in the price of petroleum, but still more the nightmare of its absolute lack, the reverse estimates of reserves, are factors that increase the pressure of time. But in every sense it is a matter of a long term.

Yet the sun has an immediate reality in the market of energy resources. And it is that of heliothermal panels. The sun that gives us, beginning today, something simpler, as much as we want of something banal, but something that is essential. Certainly, hot water, whose production for domestic use and for heating, on the standard of living to which our society is accustomed,

has a significant if not determining effect on the amount of energy consumption. It is beyond question that the use of the sun as a direct source for heating is as ancient as the world. It is one of the conditions of the presence of life on earth. Then the young Montedison engineer is right when he says that between the heliothermal panel and the photovoltaic panel there are more than 20 centuries of technological progress. But heliothermal panels are a reality for everyone today. They are something that is available to us. And therefore if we move on the terrain of solar energy, this is what we must discuss with greater attention.

Even when we discuss hot water, we must distinguish between high and low temperatures. We say that the high temperatures are those needed to produce steam which moves turbines. But we also say that low temperatures can be 40 or 45 degrees [Centigrade] as needed for domestic use and 70 degrees needed to run a heating system. Are heliothermal panels capable of supplying both? The answer is undoubtedly yes, but not under the same conditions or, at least, not with the same degree of economy. It means that the cost, installation and maintenance, including durability, of a heliothermal plant used to supplement domestic heating is still so high as to keep the price of each degree of heat produced much higher than that of conventional sources, whether it be coal or petroleum. On the other hand this means that for the production of potable hot water, the use of solar panels is already feasible. In some measure it pays for itself.

This was taken into account in the government's draft legislation, approved last October by the Council of Ministers, dedicated to alternative sources of energy. Incentives, though modest, are provided for panels to be used for supplementary heating of buildings. This is not provided for panels for potable hot water except as a mild tax reduction. The Industry Ministry whose idea the project was, makes a rapid accounting. Assuming that a panel installation will last 10 years with an annual raw increase of only 10 percent, the cost to heat a liter of water from 15 to 45 degrees is 3.29 lire in Liguria, and 2.63 in Sicily. The use of electricity for identical purposes would cost 4.10 lire for the entire nation at present costs. Fuel oil would cost barely 2 lire. But if durability of the installation can be extended longer, 15 years, then the figures change considerably. The cost for a solar installation drops to 2.66 in Liguria and to 2.13 in Sicily. Electrical energy would cost 6.30; fuel oil would rise to 3.06. This means that time is in favor of the profitability of solar panels. It also means something else: Panels are paid off and become economic only when they are entirely reliable, need little maintenance and have high durability. The market will accept them more readily and sooner the more the producers can offer quality guarantees. In the meantime, 20,000 square meters of solar panels were sold in Italy in 1978 with gross sales for producing companies between 3 and 4 billion lire to which should be added the cost of installation and maintenance.

In any case, solar panels are a present and available reality. They represent the only alternative source and the only achievements in the field of



solar energy which are immediately reliable. It is available to the private user. But in the overall energy balance, could widespread use be significant? It could be, but with conditions: that solar devices not be used alone; that they are not a structure built on a roof, on any roof; that they are built as an integrated unit into something larger, on a broader scale so that the benefits offered by the sun can be used.

The point is precisely this. As with all other alternative sources, the sun captured with panels does not represent the resource but a supplement to the resource. And there is more. The solar design of buildings, a new way of building houses, of orienting them, of placing them in a position to exploit the maximum the sun has to give, is the indispensable aim of the use of solar panels. Something called "passive solarization" in the United States in recent years has made gigantic steps with new architectonic lines which find attractiveness in their functionality and, in different terms, go back to the most ancient rules of housing construction. These saw the home as something designed to protect the man if not from the environment, at least in the environment. The solar house is a large theme for Italian architecture in the present and the future. It is something from which we can expect not the solution of energy problems, but a considerable increase of savings of consumption which remains the most effective of all alternative sources today. But it must be developed without causing damage or regression in the quality of life.

Are We not the Land of the Sun?

But Italy? Can it be that our country which is poor in all other energy resources has finally found its wealth in the gifts of the sun? Have we not always been the "land of the sun?" Even this is not entirely true. At least not in the sense that Italy in terms of sun, must be considered a privileged place. The belt of land where the use of solar energy is profitable on the basis of hours of sunshine and the angle of the rays is that included between the 40th parallel North and the 40th parallel South. It is the area where 50 percent of the earth's population lives. The 31st parallel goes through Sicily and therefore it is in a good position. But it is certainly less favored than certain African zones and certain territories of Central America. In Europe, it is no more favored than Spain or Greece.

But in Italy--and this is important--there is an affirmation of something that is called the "solar culture." There is an awareness of the problems and how to deal with them; a pursuit of projects finalized such as those entrusted to the CNR [National Research Council]; there has been a promotion of meetings and discussion, a proposal to be the site of congresses for exchanges and study. Even though political support is always very timid and money appropriated ridiculously low, even though a certain disinterest by public authorities for the opportunity that solar energy can still offer for the many problems that are still unsolved could also be seen as the symptom of submission to economic interests that are not always even Italian, solar culture in Italy is something that has been acquired. And it is something that can be "sold" much better than mechanical appliances are sold. In

emerging nations, Italy can strengthen its presence precisely by spreading not merely technical know-how and scientific knowledge which it has acquired concerning alternative energy supply in recent years, but even the entire new view of anthropological, social and economic realities deriving from it in the medium and long range.

Is this a sale that cannot be turned into a monetary advantage? In superficial terms no; nor will it have an immediate effect on the balance of payments. But the market of civilization moves along different parameters. And every discussion of energy leads fatally to the conclusion that today the choices the world faces are above all choices of civilization.

Scope of European Energy  
(percentage of domestic consumption)

	EEC	Germany	France	Italy	Holland	Great Britain
Fuels	21.7	28.4	16.2	8.0	3.8	33.8
Petroleum	56.9	53.8	66.1	69.0	50.6	44.9
Natural Gas	16.4	14.6	9.5	15.5	44.5	16.7
Nuclear Energy	2.3	1.9	1.9	0.6	1.1	4.1
Hydroelectric and other	2.7	1.3	6.3	6.9	--	0.5
Total Primary Energy	100	100	100	100	100	100

Role of Natural Gas

Milan SUCCESSO in Italian May 79 pp 72, 73

[Article by Oliviero Rossini "Dear Flame Only You Will Save Us"]

[Text] The "petroleum shortage" provoked by the Khomeyni revolution and the great fear caused by the Harrisburg incident have brought up again in urgent terms the search for a third road between energy derived from petroleum and nuclear energy. The European Economic Community, the OECD, the British and West German governments are reviewing their coal economy, a resource which for more than a century has molded the economic structure of Central Europe and Great Britain.

For Italy, which has always had insignificant quantities of coal, the road of energy diversification in the short term faces an obligatory consideration: natural gas. Even in this case we can speak of a return to the origins: from the discovery of the first great deposit in the Padana Plain, at Caviaga, in 1944, national production increased until 1974 when it reached 15 billion cubic meters. Now, instead, it has fallen off to about 13 billion cubic meters, equal to less than 8 percent of national energy needs. Reserves, in fact are limited. The "methane output" which has played a primary role in ENI's financial, political and industrial power (particularly in the associated AGIP Co) is a value that is in dignified decline.

Today, if natural gas is mentioned, it is done in different terms. It is not a matter of enhancing a national resource, but of organizing the development of importation, dealing with technical, political and economic problems of a new type. The reasons that militate in favor of an increase in the use of natural gas by Italy can be summed up in the following terms:

--The proven world reserves of gas are equal to 70 trillion cubic meters. Compared with petroleum (88 billion tons of reserves and 3 billion tons of consumption) the relationship is twice as favorable. And gas has never been sought as intensively as petroleum, and even today is wasted in impressive quantities. Every year, in petroleum deposits, a large quantity of natural gas is flared (it is associated with crude oil extraction) an amount that is almost equal to the entire Italian demand. And this for the simple reason that the deposits are distant from final markets;

--Gas is much "cleaner" than petroleum. If a half-million ton petroleum tanker were to sink in the Mediterranean, it would be, from an ecological point of view, a disaster of vast proportions. Infinitely less serious, instead, would be possible damage due to the sinking of a methane tanker or the rupture of an underwater methane pipeline or of an offshore platform;

--Unlike other alternative sources of energy such as solar and geothermal, natural gas technology is known. It substitutes for petroleum in any use and has already given an excellent account of itself in countries such as the United States, where it supplies more than 25 percent of energy needs, and Holland, where it is used more than petroleum (50 percent of energy consumption).

--Italy, which was the first European country to use natural gas on a large scale in the postwar period, has a considerable background of technological knowledge and a relatively widespread network of pipelines.

On the other hand, the major problem offered by increased use of natural gas is the cost of transportation. This increases rapidly with the increase in the distance between the deposits and the point of consumption. However, this is a problem that can be surmounted.

## Fear of Politicians

Considering these premises, it is necessary to ask what at present is the role of gas in Italy's energy policy. The ENI programs, reflected in detail in the Energy Plan, speak of reaching, by 1985, 40 billion tons of gas, equal to 17 percent of consumption forecast for that period. But after Harrisburg and the gloomy OECD forecasts on petroleum, is it not possible to imagine a more ambitious program for gas? In particular, what are the most difficult problems to be solved: Those at the beginning of the methane chain (supply) or those at the end (distribution)?

SNAM [National Gas Pipeline Company], the ENI company that distributes the product, and among other things is the signer of large contracts with the USSR and Algeria, does not like to extend itself excessively, nor is it particularly generous with details. The cost of mining, transportation and purchase of methane, in particular, are not published for fear of the "politicians" (who otherwise beat the drums beyond what is given them) and of competitors and suppliers (who in reality are the only ones who know them). Despite this, the picture of the situation, at least in general, is sufficiently clear.

The most massive voice in final consumption of energy in Italy is represented by industrial fuels (excluding, therefore, transportation, agriculture and services) which absorb 36 percent of Italy's energy needs. In a very large

### Source of Gas for EEC

(Import contracts stipulated in millions tep)

	USSR	Norway	Iran	Algeria	Libya
EEC					
Quantity	18.3	27.1	7.7	38.4	2.6
%	19.4	28.8	8.2	40.9	2.7
Germany					
Quantity	9.0	8.9	4.2	7.8	--
%	30.1	29.6	14.1	26.2	--
France					
Quantity	3.4	3.0	3.1	9.0	--
%	18.3	16.2	16.7	48.8	--
Italy					
Quantity	5.9	--	--	11.8	2.6
%	29.2	--	--	58.2	12.6
Holland					
Quantity	--	2.2	--	3.9	--
%	--	36.2	--	63.6	--
Great Britain					
Quantity	--	10.4	--	1.0	--
%	19.4	28.8	8.2	40.9	2.7

proportion of the cases, gas be could substituted petroleum for these uses. Only relatively simple changes in the burners are needed. SNAM today directly supplies about 2,800 large industries which use more than 700,000 cubic meters per year, while retail distribution (small industries, private homes) is carried out by municipal networks administered directly.

The large industries in Val Padana were SNAM's first clients. Today, however, because of the scarcity of the product, the company tends to limit its contracts to those users who for technical reasons have an absolute need for gas and are willing to pay a high price. Methane, in fact, unlike fuels derived from petroleum, even the best, does not leave residues after burning. Its specific "vocation" is involved with the so-called fire industry where the flame is directly in contact with the material processed, and areas with high industrial concentration where the consequence of pollution from petroleum residuals and, naturally, some domestic uses, is most serious.

#### A Clean Affair

In our production of electrical energy (12.1 percent of energy consumption), methane is hardly used except in the Calabrian thermoelectric plants which use natural gas produced on the spot. But even in this case, the reason for minimum use is the shortage of methane: The new plants in general are polyvalent (Methane, fuel oil, and sometimes even coal). From a technical point of view it is relatively easy to shift from methane to petroleum. The basic chemistry is different: 25 percent of existing plants in Italy use gas as a raw material rather than crude oil.

#### Where Gas Is Used in Italy (Million Cubic Meters)

	Natural Gas Consumption	% of all energy consumed
Industry:		
Mining	71	35.2
Nonferrous metals	108	6.4
Steel	2,061	21.5
Mechanical	1,422	28.5
Food	837	23.8
Textiles/clothing	551	18.1
Building materials	1,526	24.4
Glass & ceramics	2,177	67.7
Chemicals/petrochemicals	1,880	16.6
Paper/printing	463	22.2
Other mfg ind	173	8.1
<b>TOTAL</b>	<b>11,269</b>	<b>23.4</b>
Domestic Use		
Cooking	972	37.0
Hot water	929	40.0
Heating	5,564	25.0
Tertiary sector heating	1,135	14.0
<b>TOTAL</b>	<b>8,600</b>	<b>23.0</b>



The use of methane is particularly profitable in the production of urea, ammonia, and fertilizers. The yield is much lower in production of ethylene.

Methane in the transportation sector is less promising: Automobiles and trucks equipped with gas, if for no other reason than the weight of the tanks, are considered an irrational solution from the point of view of energy savings. In Italy the only thing in their favor is lower taxation. However, the use of methane in public transportation can be convincingly justified by lower air pollution in inhabited areas. Finally a brief reference to domestic use. In building construction today there is a tendency to install large fuel oil central plants for large units while there is little use of small home gas plants (burners and radiators), even though this system has considerable economic advantages (individual settings, and therefore the possibility of turning off heat when it is not needed).

On the basis of these observations, it is evident that a policy of incentives for the use of methane certainly does not clash with the impossibility of increasing this fuel in final use even on a large scale. Even the network of methane distribution, although some areas are served a little or not at all (Val d'Aosta, Valtellina, Sardinia, isolated rural areas), is now sufficiently widespread. The system of warehousing is also efficient through the use of old exhausted mines which makes for reliability at the point of consumption.

Returning then to the initial question: "At what point in the chain of gas supply and consumption do the most serious problems exist?", it is clear that the problem to be solved certainly is not the ability to use gas but transporting it to Italy. From this point of view however, ENI cannot be accused of lack of foresight. Today in Italy exactly 50 percent of the gas distributed by SNAM is imported from abroad (USSR: 6.7 billion cubic meters; Holland: 3.6 billion meters; Libya: 2.6 billion meters). The first contract, that with Libya (the gas was compressed, liquefied and poured into methane ships, then expanded into gas and pumped into the national network at La Spezia), goes back to 1965 while first supplies began in 1971. The Libyan and Dutch gases, whose first supplies were begun in 1974, instead come via pipeline to Mortara and to Sergano. To import gas from the USSR, SNAM, together with the German Ruhrgas, an Austrian company, and Gas de France, first had to build a 774-kilometer pipeline. This was an operation which, at the time, many considered risky. Today, instead, that pipeline already has been amply amortized thanks to just the delay with which the prices of Soviet methane rose to the level of petroleum price increases in 1973. But evidently all this is not sufficient. The contracts were obtained at a time when the objective was simply that of guaranteeing the amount of methane represented in the national energy budget even after the gradual exhaustion of gas deposits in Val Padana. The petroleum crisis had not yet developed. There was no similarly urgent discussion of the need to diversify sources of energy. Petroleum was still considerably cheaper.

From that time, SNAM's most important effort was the decision to import Algerian gas by building a 1,070 kilometer pipeline that crossed Algeria, Tunisia

and the Sicilian Channel to Mazara del Vallo. There it will be tied into the local pipeline network now short of gas due to the exhaustion of Sicilian deposits. Crossing the Straits of Messina, it will reach the continent. The first supplies will arrive in 1980, but will reach the amount specified in the contract (12 billion cubic meters) only in 1984.

The program constitutes a large investment (more than 600 billion lire). In order to achieve this, numerous difficulties had to be overcome (Tunisia, for example, initially wanted 10 percent of the gas that passed through its territory in the form of "royalties." However this demand was cut in half). Furthermore, the quantity of gas transported, according to ENI technicians, could easily be increased by 50 percent if Algeria has enough gas and is willing to sell it. Despite this, the promises of 12 billion cubic meters of gas constitute no more than 7 percent of our present energy needs.

Even though the SNAM programs are large, it is not arbitrary to conclude that Italy will not be provided with a real qualitative and quantitative increase in a diversification of the sources of energy (both in the geographical as well as in the physical sense). The government remains a convinced promoter of a massive nuclear program. And it tends to minimize the danger of a lack of available raw material on the market by the middle of the 1980s. ENI profited considerably from the contracts stipulated before 1973 for supply of gas from abroad. However, it can no longer hope for such rapid profit through the present mechanism of price calculation. The contract with Libya was calculated only in function of the price of transportation. That with Russia originally was at controlled prices.

Today if the decision is made for political and ecological reasons to increase the use of methane, there can be no dependence as in the past on the fact that its importation represents an economically profitable business. Instead it is necessary to start with the assumption that natural gas is a particularly clean energy; that in a world which is short of petroleum methane must also be utilized. Urgent steps must be taken along this line, in any case, before the Americans enter this market.

6034

CSO: 8128/1434

## BRIEFS

PCI-LEBANESE COMMITMENT CONFIRMED--Rome--A meeting took place yesterday at the PCI Directorate Foreign Section between Lebanese National Movement political committee member Muhammad Hudays, accompanied by the Lebanese People's Aid representative in Italy, and PCI Central Committee member Lina Fibbi and Remo Salati and Stefano Vetrano of the PCI foreign section. During the conversation, which took place in an atmosphere of friendship and solidarity, the Lebanese National Movement representative provided a lengthy report on the situation in Lebanon, particularly stressing the renewed aggressiveness of the Israeli forces, which are now attacking daily with aerial and naval bombardments, not only in the south but throughout Lebanon. The Italian communists confirmed their commitment, expressed again recently at popular rallies in Bologna and Perugia, and reaffirmed the PCI's stances on the Middle Eastern issue and its firm support for the Lebanese people's struggle for the country's territorial integrity and independence. [Text] [Milan L'UNITA in Italian 21 Jun 79 p 15 LD]

PERTINI-PRC'S PENG CHONG MEET--The President of the Republic this afternoon received Peng Chong, chairman of Shanghai Municipal Revolutionary Committee, accompanied by PRC Ambassador Zhang Yue. During the cordial conversation, satisfaction was expressed about the intensification of relations between the two countries, confirmed by the increasingly frequent exchange of visits at various levels. Peng Chong was then received by the presidents of the two chambers of parliament, Fanfani and Jotti. [Text] [Rome Domestic Service in Italian 2030 GMT 29 Jun 79 LD]

CSO: 3104

## VVD'S RIETKERK CRITICIZES GOVERNMENT HANDLING OF ECONOMY

Amsterdam ELSEVIERS WEEKBLAD in Dutch 26 May 79 pp 1, 16-17

[Interview with Koos Rietkerk by Johan van den Bossche, Nico van Grieken]

[Text] Things are bad all around. Exports poor. Treasury empty. Threatened increase in unemployment. A hopelessly high deficit. Balance of payments badly out of joint. A growing army of the unfit for work. The economy is headed for the rocks, but the Van Agt cabinet is still in, at least for now. And that is all right, Koos Rietkerk, VVD [Liberal] chairman, says in an interview with ELSEVIERS WEEKBLAD.

The liberal leader will keep eating with the Van Agt-Wiegel knife and fork until 1981, at least. A sticker-to-it. Problems between VVD [People's Party for Freedom and Democracy; the Liberals] and CDA [Christian Democratic Appeal]? What made you think that? Well, yes, the rise in taxes does clash with VVD principles, but we are not making trouble about it. Correction for inflation? The best thing would be 100 percent, but less will do. Cutting off cost-of-living increases at 50,000 guilders? Dead set against it, but if the cabinet has to do it...

Rietkerk--the only true loyalist. Now what if he gives way, gives in, or gives up? Certainly he gives ground. There is little left of the firm principles of his party. In the name of political reality. Economic and social reality have been subordinated to that. Rietkerk is still a careful man. More careful on the cabinet than on the Dutch economy, in any case.

Last week [we interviewed] Ruud Lubbers, and now Koos Rietkerk, Lubbers's coalition partner in the not too firmly patched-together Van Agt CDA/VVD cabinet. Rietkerk, a man who knows precisely how it ought to be done, and is supported in his views by independent experts such as Zijlstra and Van den Beeld, but who, just like Lubbers, lets himself be guided more by political

reality than by social reality. "It appears almost certain that there will have to be a further retrenchment, but let us put the 1981 budget through first." "I am in favor of 100 percent correction for inflation, but it is not a point that I would overthrow the cabinet for." "The VVD is against raising taxes, but that does not mean that, for example, a little increase in excise taxes cannot be carried out here and there." "We are against cutting off [cost-of-living increases] at 50,000 guilders, but it is not worth a cabinet crisis to us." Those are only a sampling of the remarks made by the chairman of the VVD parliamentary delegation, who throughout a 3-hour interview with ELSEVIERS WEEKBLAD kept moving cautiously around the hot potato of retrenchments; if necessary he even seems willing to pick it up with the tools handed him by Van Agt, namely the 1981 budget, which, however, won't quite reach.

In short, Rietkerk--the man who knows what is right, but does not want to get it just yet.

Rietkerk's face shows no expression whatever as he read ELSEVIERS WEEKBLAD's interview with Lubbers. His only comment is a mumbled, "Um. Um-hum. Um-hum." And it must be said that there is not much to be made out of that. When he puts the paper down, he asks guilelessly, "When did you talk with Lubbers? It must have been 10 days ago, wasn't it?" Meticulous as we are, we tell him that it was precisely a week ago to the very hour.

[Question] Why did you think it was 10 days ago? Has Lubbers's position changed since?

Rietkerk: No, I believe not. It may be hard to tell, of course; the discussions on the Progress Note are still under way. It could hardly be otherwise, for this cabinet is still busy laying out its course for 1980. It hasn't got all the figures in hand yet. At least it has not given them to us. And that is why this debate is becoming an endless prayer.

[Question] But you have figures in your possession, haven't you, that show that the situation is much more serious than was thought at the time of the draft 1981 budget? Such as a real wage increase that is higher than expected and an extra financial deficit?

Rietkerk: No, there are no figures on that yet; there are just tendencies for the economic situation to get worse.

[Question] Then you are just as vague as Lubbers?

Rietkerk: What else must Lubbers and I do? Must we make decisions purely and solely on the basis of tendencies? Look, we have to keep our options open. Not out of pusillanimity, but because we must always bear in mind the possibility of a favorable development in the near future. Not that I see it. But even so.



(By the way, in the cabinet meeting on the same day the government came to the conclusion that the 1981 draft budget has to be overhauled, because its objectives cannot be realized because of a worsened economic situation. Rietkerk appeared to know nothing about that, so that the conclusion is justified that the present cabinet is pursuing a very independent course.)

[Question] You are waiting for a possible more favorable development. Do you see the real wage increase dropping during the coming weeks, then?

Rietkerk: No, of course not.

[Question] But that very thing will cause an extra deficit that is not covered by the 1981 draft budget.

Rietkerk: You are right about that.

[Question] Then can we expect it of you that you know what you are thinking of doing about it?

Rietkerk: No, for I do not think you have to make up your mind in May about what changes you can make for next year. I take account of political reality.

[Question] Hearsay, there are those words again: political reality. Lubbers used them, too.

Rietkerk: Yes, no doubt he noticed, too, that there are fervent protests against a number of measures that have been taken. Just take the government employees. I can see at this moment that the government's 10 billion guilder plan has just theoretically still got its head above water. Now let us fill that in a bit. Let us take decisions about trend-followers, reduction of welfare payments, etc.

Maybe the situation will be clearer to you if I put it in the form of a parable. When a patient is sick, the doctor gives him medicines. If that does not completely cure the patient, the doctor does not stop the treatment.

[Question] Some doctors give stronger medicines then, don't they?

Rietkerk: You are alluding to the wage intervention? Well, Den Uyl has been jeering about that, too. But it was Den Uyl that not long ago intervened three times in the wage negotiations, without even then getting the increases down to zero. Gentlemen, not everything that happens to wages can be squeezed into laws. Besides, it may quite possibly become necessary for the cabinet to intervene in wages, but it does not have to announce that yet. Maybe next year employers, employees, and the government will come to a general agreement.

Never Extreme

[Question] That seems naive to us.

Rietkerk: Why? If you look back on the last 10 years, you can say that

union movement has never made extreme demands in the wage field. I am not saying that so as suddenly to be friendly to the union movement; it is a plain fact that they have never acted irresponsibly. From that I deduce that they will not do so in the future. For that reason I advised Minister Albada [minister of social affairs] in June to sit down at the table with employers and wage-earners and see whether agreements can be reached.

[Question] That hope seems vain to us, for up to now it has never been possible to conclude a general agreement. Besides, that would not happen until next year. What are you thinking of doing this year?

Rietkerk: For us the 10 billion guilder cut is a minimum. Holes have been shot in it, and they must be closed in the same sector where they were made. No, I cannot say precisely where and how much. I cannot yet state a single amount.

[Question] Mr Rietkerk, the 10 billion guilder cut was based on outdated assumptions. You must make additional changes in view of the increased financing deficit. How are you thinking of doing that?

Rietkerk: With the emergency brake.

[Question] How was that again?

Rietkerk: Accelerated tax collection, postponed government expenditures, and restriction of consumer credit. You see, here I run nicely parallel to Lubbers. He, too, says 10 billion guilders plus the emergency brake.

[Question] That fits. Lubbers, too, only wants to postpone things a little; he does not want anything fundamental, either. By pushing taxes forward a little and government expenditures back, he just closes a gap for this year. A gap that will yawn again next year, for you cannot keep collecting taxes earlier and earlier.

Rietkerk: That is correct; that is correct.

[Question] Well, what do you do then?

Rietkerk: I do not rule out the possibility that the collective sector may have to be restrained. Especially if you do not work out the matter of moderation in the private sector.

[Question] We certainly have not worked that out. The real wage increase is higher, and the cabinet and you will have that on your plates not only this year but in the years to come as well. Even if a zero line is maintained.

Rietkerk: That is quite true. That has to be solved. Only I cannot say how. You are now asking me too much.

Look, the present increase in the collective sector is a thing that cannot

go on. If you want to offer people security in the future as well, you have to cut into that now. And you have to intervene in the sectors where the growth has been greatest. In the National Health Insurance Act, for instance, and the Law on Labor Disability. But when you do that you get tensions. You can see that right now in health care. My experience is that in politics you need 10 years to put a good thing through. That is political reality.

[Question] You are not saying anything at all.

Rietkerk: I am saying a great deal, but I cannot yet say what we are going to do. We are not ready to decide yet.

[Question] Has the Second Chamber been arguing during the last 2 weeks about something that is still not straightened out?

Rietkerk: You have seen that plainly. In recent weeks we have had a progress debate; we wanted the usual supplementary data from the government. But the real debates will not take place until September.

[Question] Just monkey-business, then?

Rietkerk: Well, no. An ordinary technical discussion that got somewhat out of hand. Political maneuvering, it's called. You don't need to be so negative about it. The voters actually find it the most interesting.

#### Review

[Question] What would you be able to say in September?

Rietkerk: That there is still a lot of room for economy in the social sector. For example, by more control within the framework of the Unemployment Law and the Health Insurance Law; lower benefits to non-breadwinners, etc. In the field of the Labor Disability Law, too, considerable sums can be saved. I find that the authorities are too strict in their examinations. There are surely a lot of people drawing disability benefits who have only, for example, a 20 percent disability and could be taken into the government service. Not extra, but to fill jobs that are open. Humanity demands that. Well, all in all, I see ample possibilities for reviewing welfare benefits without giving up what we have achieved.

I am reproached for having an asocial attitude because I think that nobody on unemployment relief should get more than when he was working. And that is always possible here in the Netherlands. But some time ago Den Uyl wanted to cut unemployment benefits back 5 percent. Now that I do find unsocial, because then every unemployed person would have his income reduced.

[Question] How much would these savings yield?

Rietkerk: Many hundreds of millions [of guilders] on an annual basis. Just by tightening up on the non-breadwinners, 200 to 300 million guilders a year

can be saved. But I cannot say very much about that yet. It will all have to be worked out. The important thing is that there is no essential difference in views between the VVD and the CDA with regard to the 1981 draft budget.

[Question] But there are differences with regard to the particular retrenchments that should be carried out. The CDA wants to leave the social benefits untouched; it apparently sees no room for savings there. The CDA wants to cut into the private sector, and the VVD does not.

Rietkerk: We are certainly not advocates of cutting into the private sector this year. The government has given employers and employees freedom to negotiate, and you really must not go back on that. I admit that the authorities can do that, mind you, but I am no proponent of it.

[Question] Now that is a difference between you and the CDA; the CDA wants to cut off cost-of-living increases above 50,000 guilders.

Rietkerk: Oh, that is a detail. We are against that cut-off, because we consider that the middle groups are not rich. But we find a cut-off at higher incomes defensible.

[Question] Well, then there will be a cut-off at 70,000 guilders?

Rietkerk: I am not saying that at all. It is true that the VVD is not against a cut-off of the higher incomes, because they can contribute more than the lower incomes, but that, of course, hardly contributes to a solution of the problems.

[Question] We don't quite understand. Are you for or against a cut-off of the higher incomes?

Rietkerk: As I just said, the VVD finds it defensible. But if at the same time you find that there should be no interference with the freedom of employers and employees to negotiate, you also should not interfere in that way with a small group.

#### Bringing the Cabinet Down

[Question] In short, you find it defensible, but you are against it. But will you bring the cabinet down over it?

Rietkerk: Come, now. Albeda has calculated that that cut-off would bring in some 60 to 70 million guilders. The VVD will not bring any cabinet down over that. It is much more important for the 1981 draft budget to remain above water.

[Question] Then the cut-off will go through, for the CDA is making a life-or-death matter out of it, apparently.

Rietkerk: But it depends on what the cabinet is going to do. That I don't know. I do not rule out the possibility that the cabinet will bring out a

cut-off measure, mind you. I even think the government will do so.

[Question] And you don't make such a big point of it. The CDA also wants to raise excise taxes, for example on alcohol and gasoline. The VVD has always opposed a raise in excise taxes because of the menacing aftereffects.

Rietkerk: The VVD has indeed always opposed a tax increase, because we are against continually plugging up holes in the budget with higher taxes. That gets you deeper and deeper into the morass. But if Andriessen presently puts through a few raises in excise taxes, the VVD again is not so dogmatic that we will fervently reject them.

[Question] You won't bring down any cabinet over that?

Rietkerk: No, we won't.

[Question] Do you take the same line on correcting inflation?

Rietkerk: We find it a question of honesty that inflation should be corrected 100 percent. You cannot make people pay taxes through inflation.

[Question] That is right, but will you bring down the cabinet over that?

Rietkerk: You keep asking that.

[Question] Yes, of course. Outwardly you have always characterized these points as essential to the VVD policy. There is not much left of that, it seems to us.

Rietkerk: I won't bring down the cabinet over correction of inflation, either. But what is much more essential for the VVD is the question of how the holes that are to be expected in the budget will be plugged in the future. In the liberal view it comes down to the fact that we are opponents of too dominant a rôle of the collective sector, which would put our society under pressure. Well, it appears from the 1981 draft budget that we mean to put the brakes on the growth of the dominating rôle of the collective sector to some extent. It is thus important to the VVD to keep the 1981 draft budget above water.

#### Influence

[Question] And for that the VVD is ready to submerge itself?

Rietkerk: That is unfair. We do not always get our way, but we often do. On the point of rent increases we got our way, and on the family allowance, too. And in the meantime I understand inflation correction will be fully carried out for this year. No, our ideas find expression best in the present cabinet policy. Anyway, you should not provoke a cabinet crisis over that sort of points. For then it would all get much worse. You can exert more influence on policy as a government party than when you are in the opposition.



[Question] Van Agt became a minister earlier to stop an abortion bill; you are now working with him to prevent a greater ravage. A striking similarity.

Rietkerk: And at the same time quite different. We are collaborating in order to carry out the 1981 draft budget as well as possible, although it should be adapted in places. The 1981 draft budget is the minimum for us, and in principle the CDA thinks the same thing.

[Question] The tensions between CDA and VVD arise only if it seems that the 1981 draft budget falls short. And that seems inevitable to us.

Rietkerk: Everybody is concerned about tensions between the CDA and the VVD, but I don't feel those tensions. And after all, I am chairman of a parliamentary delegation.

[Question] Besides that, there are not inconsiderable tensions between this cabinet and the union movement. Certainly with the FNV [Netherlands Trade Union Federation].

Rietkerk: FNV Chairman Kok wants to keep the freedom to negotiate that he has always had. I find that reasonable of Kok. And the whole union movement has shown great responsibility in its wage demands. I do not say this to soothe Kok, but the union movement has behaved very responsibly with regard to the Dutch economy. For that reason I see excellent possibilities for an agreement among employers, employees, and government. But if, as was the case last year, the union movement has no need to talk, then of course you have to do something else.

[Question] You don't even learn from experience. Never has a central agreement been reached; once a social agreement. Why should the union movement now suddenly be willing to conclude an agreement, and that with a cabinet that does not suit it?

Rietkerk: I doubt the proposition that a cabinet that does not include Den Uyl has no chance in this matter from the outset. In 1972 I myself was secretary of state in the cabinet, and that is the only time so far that a cabinet has come to any agreement with the social partners [i.e., management and labor].

[Question] The union movement has not accepted the 1981 draft budget, you know.

Rietkerk: It is the union movement's right to protest now and then. Even against the 1981 draft budget. But when parliament reaches a decision, the labor movement must not continue with its resistance. For example, by not talking. That I would find irresponsible on the part of the union movement. But I am not so pessimistically disposed as you. I find it not in the interest of the union movement if it toppled this cabinet. In that case English situations would arise, and they are not in the interest of the wage-earners, either.

[Question] But if, contrary to your expectations, no agreement comes about, is a [government] intervention in wages the only alternative?

Rietkerk: I have misgivings about a wage intervention. Den Uyl intervened several times in wages, but in spite of that they always increased by 2 to 3 percent. A wage intervention is thus not particularly effective. You have to move toward a consensus.

[Question] You are for effectiveness. What do you think of this cabinet from that point of view?

Rietkerk: Naturally, I am not so well satisfied with the effectiveness of this cabinet. The direction that the cabinet wants to move is all right, but so far it is nothing but proposals. The cabinet will have to detour further, because there have been aggravated trends. Anyway, if Den Uyl should come into power, he would be confronted with the same problems.

[Question] Then it does not matter what cabinet is in?

Rietkerk: Certainly it does. Den Uyl thinks that the problems should be solved by the authorities. I say, on the other hand, "The authorities have an important function, but they must not think they can regulate everything."

It suits the socialists fine, of course, that the government sector is still continuing to grow. That fits precisely into their philosophy: Are there any problems? Well, then the government will take them over. For that reason they see retrenchment as an encroachment on the collective arrangements.

[Question] Then the socialists do not see the runaway growth?

Rietkerk: Oh, yes, they see it, but they make it subordinate to their philosophy.

[Question] Rather conservative.

Rietkerk: Yes, they think very collectivistically; I find that rather conservative. I doubt that further collectivization can solve the problems, and I also doubt the proposition that it is a priori impossible for the private sector to deal with the problems. The socialist countries are my evidence on that point.

[Question] We noticed a certain agitation on your part when you mentioned the reproach that you were asocial.

Rietkerk: That is fairly logical. On the one hand the socialists refuse to participate in completely justified matters such as weeding out developments that have gone too far in our system. Under the pretext that it means an undermining of the system. When we are willing to do so, we incur the odium of asocial behavior, while it is nothing of the kind. For it is by that means that you keep the social order in good shape. I hardly call that asocial.

Do you know what I consider improper? Den Uyl's behavior on the Mall that time, when he made it appear to people in wheelchairs that they would lose ground. While it is still firmly established that they are gaining in purchasing power.

#### Authority

[Question] Maybe that is due to the fact that this cabinet has no authority, as Jan Terlouw of D'66 [Democrats of '66] told us.

Rietkerk: Oh, yes, Terlouw's authority. When D'66 had governing responsibility, it left half of the one percent retrenchment proposed by that cabinet unimplemented and passed it on to the present Van Agt cabinet. Terlouw must simply keep his mouth shut.

[Question] In short, you find that this cabinet is not doing badly.

Rietkerk: Exactly, this cabinet is not doing badly. Compared with other countries there is little labor unrest here. There are plans on foot to hold the financial deficit to an extreme limit of 6 percent. Everybody in the Netherlands will have to contribute to that. For a long time it has not been a question of a little measure here and a little bill there. This cabinet maps out a policy.

[Question] In short, a good policy.

Rietkerk: At the moment this cabinet is somewhat restrained in its policy. That is due to the present progress debate. The government refuses at the moment to make irretrievable statements, because it does not yet have all the data in its possession. I understand quite well that you find that vacillating. But it would be worse if they took measures based on mere preliminary data.

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CSO: 3105

## WORLD ANTI-COMMUNIST LEAGUE NOT WELCOME IN NETHERLANDS

Amsterdam ELSEVIERS MAGAZINE in Dutch 26 May 79 pp 31-33

[Article by Coen van Harten: "Why the Anti-Communist League Did Not Get a Dutch Subsidiary After All"; passages enclosed in slantlines printed in italics]

[Text] A world organization infiltrated by anti-Semite. and Nazis, saw an opportunity to set up a branch in the Netherlands. Anti-communist Dutchmen were willing to run the club. But the Dutch representative to the world congress received the shock of his life: "I simply stumbled into it." As far as our country is concerned, the Anti-Communist League may as well forget it for now. An analysis.

He was warned by Prosper Ego of the /Oud Strijders Legioen/[Veterans Legion]: "I would be careful if I were you." This occurred right before Mr P. Iedema was to leave for Asuncion in Paraguay. Iedema is president of the /Veteranenlegioen Nederland/[Netherlands Veterans Legion]. He has since returned from the country of General Stroessner: "I was awfully startled. If only Ego had told me what he meant by that warning." He went to Paraguay to attend the congress of the WACL, the World Anti-Communist League, which was set up by Asian politicians. Iedema is president of the Netherlands branch of this organization, the still young /Stichting voor Democratie en Mensenrechten/[Foundation for Democracy and Human Rights].

Iedema did not see too much of the 4 day congress. After one day he had had more than enough of it and he spent his time primarily by the side of the swimming pool in the hotel, which was guarded by soldiers. "The first speech made there was not too bad, but the second man to address us, that was sheer fascism. From the first day, I said: /I am out./ I will no longer be a party to it. /It makes me sick./ For that matter, I was not the only one who was shocked. At one point, a man approached me and said: are you not the president of the Dutch veterans? We, Eastern Front combatants, should set up a system of cooperation. We, Eastern Front combatants, said the man ..."



Members of the 'Veteranenlegioen Nederland' are "Dutchmen who, either in the military or as members of the resistance or as members of the armed merchant marine under Dutch flag, actually fought for freedom, law and order. President of Advisory Board: His Royal Highness, the Prince of the Netherlands." Iedema's bewilderment can be imagined: "I also met a Swede there, with a nice, pale face, a typical Nazi face. /Later on, I saw a picture of this young man in Nazi uniform./ There was a German who was going to stay a few days longer in Paraguay to look up a couple of old friends. /Well, you know what that means./ There were also decent people there, such as Prince Alfred von Liechtenstein for example. I told him: 'Man, think about what you are doing. If this becomes known in Europe, think what this would do to the name of your family.' The WACL has been completely infiltrated by fascist Germans, Belgians, Englishmen, Swedes and Norwegians. The Taiwanese, who are among the organizers of the WACL, have the best of intentions but the matter has gotten totally out of hand. They did not get to the fight against communism at all. It was a continuous speaking for one's own parish, nationalistic, against a United Europe, etcetera. My visit was a horrible experience. I have had my fill of the WACL. Of Paraguay too, as a matter of fact. I always thought that it was exaggerated. I am a former military man myself and I do like a little bit of a military show, but what one saw there..."

Prosper Ego was repeatedly approached by the WACL. In 1972, he attended the WACL conference in Mexico. One veteran said: "The WACL is trying to find a foothold in all Western countries. And they are trying this via veterans organizations." Ego commented: "In its origin, it was a good movement in which Taiwanese played a primary role. But the club has gradually been infiltrated by suspicious organizations. Financially speaking, the WACL is prospering. They receive a great deal of support from Saudi Arabia. But I do not want to have anything to do with it. Once in a while, I still receive a newsletter from them, from Mexico, and it is all anti-Semitism."

Quotation from this newsletter REFLICA: "... to prevent South Vietnam from falling in communist hands, which would happen if the arrangements planned by the American Jew were to be followed." Periodicals from WACL organizations repeatedly include passages about "the Jewish world conspiracy" and "international capital." There has been opposition within the WACL to the infiltration of fascists. By the president of the British WACL organization, for example: at the WACL conference in London, in 1973, he said: "I would like to ask especially the Asians who are with us today, to take notice of the fact that our historical experience has taught us that in the past 'anti-communism' has repeatedly been prostituted and is often considered to be a position behind which supporters of objectionable tyrannies can hide." The same year he wrote the honorary president of the WACL, Dr Ku Cheng-kang of Taiwan, that he was "shocked" by the nomination of the president of the Mexican WACL organization to be president of the world organization: "Neo-Nazis, fascists and anti-Semites must be mercilessly thrown out. If not, the WACL conference in Europe and next year's conference in America will be failures." The American branch, the American Council for World Freedom, also thought that "something must be done about the anti-Semitism in the



organization." /That these attempts were doomed to failure was borne out by Mr Ieden 's experiences in Paraguay./

What is the WACL? This organization was set up in 1966 by Taiwanese and South Korean politicians. The first years were largely devoted to the fight against Chinese communism. The secretariat is still located in South Korean Seoul. Their main publication is ASIAN LOOKOUT; the honorary president for life is Ku Cheng-kang, a member of the central committee of the ruling Taiwanese Kuomintang. But it did not remain a Taiwanese-Korean affair. Ultra-rightist movements from Europe, Latin American countries and the Middle East lodged themselves in the WACL. Moderate groups from England and America withdrew from the WACL when, in spite of their protests, the extremist influence became stronger. In the beginning of 1973 the British branch, the Foreign Affairs Circle, withdrew from the WACL because of the anti-Semitic and fascist infiltration. In 1975, the most important American member, the American Council for World Freedom, withdrew from the WACL. This did not strengthen the position of the moderate organizations which stayed behind. They often barely noticed how the international right was penetrating the WACL. The Movimento Sociale Italiano - Destra Nazionale [MSI-DN; Italian Social Movement - National Right Wing] was admitted into the WACL under the title "MSI." It will have escaped especially the non-European participants that the MSI is the largest neo-fascist party in Italy, widely represented in parliament. MSI leader Giorgio Almirante, once Mussolini's government head, is a welcome guest and speaker at WACL conferences. The Mexican branch takes advantage of these occasions to label /'Holocaust'/, "one more of those gigantic campaigns of Jewish propaganda to hide their striving for world domination."

Other WACL supporters are: Nouvelle Ecole [New School], extreme French activists, William Pierce, former leader of the American Nazi Party, currently chief of the National Alliance. Some of the Nazi organization and individuals are officially members, others attend the WACL conferences as "observers." The following individuals were noted at last year's American conference: the American Willy A. Carto from the anti-Zionist Liberty Lobby, which advertizes Ku Klux Klan T-shirts and records of Nazi marches in its publications; Sheik Ahmed Salan Jazjaj, former minister of Saudi Arabia, currently head of the Middle East Regional Council of the WACL; Roger Pearson, anthropologist and author of books in which the superiority of the "Arian and Nordic race" is demonstrated; and the Australian Eric D. Butler, author of /The International Jew/, a paper about the conspiracy of Jews and Freemasons. /This selection may convey the idea./

Lately, a few organizations have no longer attended WACL conferences, some of them because they have withdrawn, while others still have ties with the WACL but would rather not give publicity to it. The American John Birch Society does not like to be linked to the remnants of European fascism. The Unification Church, set up by the Korean "Messiah" Sun Myung Moon, no longer sends anyone to the WACL meetings either. However, other organizations which were set up elsewhere by Moon still have close ties with the WACL. The following

individuals, for example, were guests at the WACL conference in Mexico in 1972: Neil Salonen, member of the American Council for World Freedom and president of Moon's Unification Church in America, and Osami Kuboki, president of the Japanese Unification Church and representative of the International Federation for Victory over Communism. In 1971, Kuboki spoke out implicitly in favor of a war of aggression against the Eastern bloc by describing "the question" as "to kill or to be killed." In Japan, it not infrequently happens that WACL and Moon sympathies coincide: several officials of the Unification Church were present at the July 1967 WACL conference which was held at the Sea of Yamanaka near Mount Fuji, as well as such Moon sympathizers as Kodama Yoshio (whose name came up repeatedly during the Japanese Lockheed trial), Shirai Tameo and Sasagawa Ryoichi, once president of the pre-war, extreme rightist Dai Nippon Kokusui Kai. He played an important part in the establishment of the Tokyo-Berlin-Rome axis and after the war he rose to the position of honorary president of the WACL. At the end of January 1974, a demonstration took place in the Budokan hall in Tokyo, in which 10,000 people agitated against the Tanaka administration which was making too many concessions to the People's Republic of China. Fifty percent of those present had been mobilized by the Pro-Seoul Korean Residents of Japan. Afterwards, the American RISING SUN, a Chicago publication of Moon's Unification Church, published a scandal article about the "plutocratic connections" of Tanaka and his leniency toward the Chinese People's Republic. Shortly thereafter, the Japanese monthly BUNGEI SHUNJU published a similar story. The subsequent uproar led to Tanaka's fall.

Thus, the WACL lobby does indeed score political results. But for the time being not yet in the Netherlands. Mr Iedema commented: "Unfortunately, the Foundation for Democracy and Human Rights already exists. But the first thing I will do is to liquidate that foundation. I simply stumbled into it."

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## ENERGY CRISIS CALLS FOR GOVERNMENT MEASURES

Amsterdam ELSEVIERS MAGAZINE in Dutch 26 May 79 pp 12,13

[Article by H.J. Looman: "Energy Crisis II Stands Firmly Before the Door"]

[Text] We are in the middle of the initial period of a new energy crisis. However, the seriousness and size of it have not yet gotten through to us. Even though Prime Minister Van Agt has called on the population to pursue a 5 percent voluntary energy conservation, this request has up to now produced no results. Therefore it is certain that after the summer we will have to deal with compulsory measures which will unhappily remind us of Energy Crisis I, which occurred 5 years ago.

The crucial point is that practically nobody believes in the necessity for restraints and also that it is not known how to put into practice savings which really bring grist to the mill. By turning out a few lights in the house? By keeping the refrigerator door open 10 seconds less? By not driving your car 120 kilometers an hour, but 100? Fine, we say, if everybody does this then we might be able to save a couple percent, but why should we lead the way? Are we not lying on a bed of roses with our natural gas? Such a mentality prevails in almost all Western countries. Even in the United States, where the gasoline shortage can already be felt in the states of California and Texas. "Our energy policy is threatened by the flat and frightening refusal of most Americans to believe that we are in a real crisis," complained Secretary of Finance Blumenthal recently. "They are simply forcing us to take drastic measures."

We have not yet heard this kind of ministerial cry in the Netherlands. The government is still aiming at voluntary action to be achieved through information. If this were to fail, it does not go any further at the present time than to announce a few "unpleasant" measures in a very friendly tone of voice. Which moreover cannot be expected before August, the month in which the temporary balance sheet of our thriftiness on a voluntary basis will be prepared.

As this will turn out to be nil, we might already start wondering what will hang over our heads then. But with vacations and a hopefully nice summer coming up, we have other things on our mind. In this country, where crude oil is coming in by tens of thousands of tons through the Rotterdam Waterway and which still possesses large natural gas reserves, spoiled by prosperity and abundance, we are already fed up with whining about energy shortages.

Nevertheless, the preparation for the "unpleasant" measures by the Ministries of Economic Affairs and Traffic and Waterways has already progressed to the point that it will be possible to put them into effect in September. The script would have been completed if the two departments had been able to agree on the sequence of the measures to be implemented.

This point is still clear. In imitation of what is currently taking place in California, they will very probably start with a limitation on gasoline deliveries to the distributors. Thus, the burden is put on the oil companies. In order to renew their oil reserves which had seriously shrunk during the harsh winter, these companies have been very busy bringing their supplies back to the statutory level and consequently gasoline production has had to lag a little.

A limited delivery of gasoline and oil to the service stations could result -- again in imitation of California -- in the application of the so-called odd-even system. This means that motorists whose license number ends in an even figure may only refuel on even calendar days, and that cars with number plates ending with an odd number may only turn up at the pumps on odd days.

The second measure to be considered is aimed at a Sunday driving ban, which could be imposed in degrees. There could be one Sunday without cars, but also two, three, four and even five, because there are five Sundays in September 1979. That has already been noted in the Hague. This is a not very popular compulsory measure; the past has taught us that. Not only would one of our human rights, our freedom of movement, be infringed upon by it, but it would be a direct attack on the HORECA [Hotels, Restaurants and Cafe's Association] sector, which is one of the few branches of industry which are still reasonably flourishing in this time of recession. Especially the businesses along the coast and outside the urban centers, which rely on Sundays for 80 percent of their trade, would sustain a blow which they could not weather.

And then, there remains the most drastic compulsory measure: gasoline rationing. We also had some bad experiences with this during Energy Crisis I. This is why we heard Minister of Finance Andriessen say that this will certainly not be the number one intervention. Which does not mean that the ration coupons have not yet been printed, because they have.

The General Energy Council is currently working on energy savings which could be achieved by the economy, specifically by industry. The fact that they are keeping an eye out in the case of large consumers, is a healthy matter. But this must not go beyond watchful attention by competent energy experts. Compulsory application of delivery restrictions would be an extremely dangerous intervention. This would be like denying oats to the



horses who have to earn the oats. And we do not have too many of this kind of horse left in the stable. To limit oil deliveries to the industry -- aside from the many unavoidable inequities -- would injure our industrial production and this is surely the last thing we should do. In addition, there is the fact that, under the heavy pressure of steeply rising oil, natural gas and electricity prices, the industry itself has started early conserving energy. With often excellent results.

Energy conservation by industry requires small, but often also large investments. The government makes allowances for this via opportunities for subsidies. Anyone who wishes to know more about this could request a pamphlet from the Netherlands Foundation for Information on Energy Conservation (SVEN, Apeldoorn, Post Office Box 503, telephone number 055-230750), in which 16 Dutch companies and institutions disclose how they curtailed their fuel bills.

When it is not a question of extinguishing the pilot lights of the gas water heaters, but of energy savings which appeal to any person with common sense, then the people do pay full attention. This is borne out by the fact that interest in home insulation is increasing sharply. The number of requests based on the insulation regulation, which in 1978 amounted to 170,000, already reached beyond the 60,000 mark during the first quarter of the year and the wave keeps growing.

The National Insulation Program Study Group [SNIP], which was established last week, aims at providing help for the insulation of 2.5 million existing homes over a 12 year period. Up to and until 1990, this program will produce a savings of 30 billion cubic meters of natural gas. A survey of the insulation plans of residential construction corporations shows that it should be possible to carry out the insulation of the desired number of 1 million Housing Act dwellings. Next in line for insulation are 750,000 private rented houses and 600,000 houses of owner-inhabitants.

All of this relates to long term energy conservation. It has little to do with the 5 percent reduction which we are currently asked to provide. While awaiting the "unpleasant" measures which Mr Van Agt has promised us, we can let the pilot lights burn on for a few more months, and -- very mistakenly -- deny that Energy Crisis II stands firmly before the door. A spokesman for Economic Affairs said: "During the coming fall we will get our noses pushed into the facts and if this is once again followed by a harsh winter, our noses will turn red from the cold too."

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CSO: 3105



## NATO'S ROLE IN NORTH DISCUSSED

Oslo AFTENPOSTEN in Norwegian 29 May 79 p 2

[Editorial: "NATO in the North"]

[Text] The North Atlantic Council--which consists of members of parliament from NATO member countries--yesterday completed a 3-day working meeting in Oslo. The choice of a meeting place was appropriate, because this time the council's military committee discussed a penetrating report of the situation in the northern area. The report is the product of a working group of which the chairman was the Danish social democrat Lasse Budtz.

This is a clear signal of a growing interest and understanding of the problems in the northern area of the NATO alliance--from the Baltic Sea to the polar region. The report does not set forth any dramatic findings; it is more of a profound study of the unusual geographical, political and military circumstances in our part of Europe.

But the report also draws attention to certain areas where the situation could be more difficult than it is today. Primarily it points out the naval construction in which the Soviets are engaged. When it comes to Norway's relations with the Soviet Union, Moscow obviously wants to handle all questions within the framework of the bilateral relations between Moscow and Oslo--and reacts with animosity toward all indications that others would like to participate. But Norway desires the support and understanding of its allies.

As it says in the report, that support may not come in the form of active interference, but merely as strong enough interest to compensate for Norway's neighbor's weight as a superpower.

Few Norwegians will disagree with this. Besides, there is reason to be prepared for a further complication in Norwegian-Soviet relations if modern technology and other factors bring about further utilization of northern ocean areas.

General Sir Peter Whiteley's suggestion at the meeting that Norway's situation would be improved if British forces were drawn back from West Germany

and instead were held in reserve for use in possible conflicts in other areas can be seen against the background of the wish to create a counter to the Soviet buildup in the north. Even if nobody objected to this wish, there are many, especially West Germans--who do not want this to happen at the expense of the British Rhine Army.

Increased cooperation between Norway and Great Britain can really be advantageous. But we must also realize that the new problems in the north are not going to be accompanied by a corresponding reduction of problems in other geographical areas. What is needed are initiatives in the north which do not bring about a reduction in the preparedness of other NATO countries.

9287

CSO: 3108

## NO-CONFIDENCE TEST HERALDS INCREASING WORRY FOR NORDLI

## Future Support of Marxists Uncertain

Oslo AFTENPOSTEN in Norwegian 30 May 79 p 4

[Excerpt] The government's situation was clarified last night when SV [Socialist Left] member Hanna Kvanmo said that the two SV representatives would not vote for the proposals made by the three non-socialist coalition parties and the Liberals. At the same time Ms Kvanmo moderated the proposal she had made earlier in the day in order to eliminate any possibility that it would be interpreted as a motion of no confidence. Hanna Kvanmo maintained that several statements in Prime Minister Odvar Nordli's main speech on Tandberg's future did not differ substantially from the line supported by SV.

Kvanmo felt that the proposal made by the Conservative, Center and Christian People's parties could not be construed as anything but a vote of no confidence even though it was presented with what she called "divine unctuousness and mildness" by "prime minister candidate Korvald." After Kvanmo finished her speech Storting president Sverre Stray rebuked her choice of words, saying that according to parliamentary procedure this fell under "derogatory references" which are not allowed. Kvanmo also made it clear that it would be unthinkable for SV to vote for such a no-confidence motion.

Rossbach's proposal would not get SV's two votes either. SV does not have the same industrial policy as the government but in Kvanmo's view the Liberal policy is too close to the non-socialist parties' reconstruction policy.

## Tandberg Issue Not Settled

Oslo AFTENPOSTEN in Norwegian 30 May 79 p 2

[Editorial]

[Text] If the government and Industrial Minister Olav Haukvik had shown greater care and paid more attention at a critical phase of the Tandberg affair it is probable that they could have averted the firm's bankruptcy, saving a substantial number of jobs. The cabinet minister received repeated warnings about alarming developments, he did not adequately orient Storting and he rejected advice that could have prevented the biggest industrial tragedy in modern history.

In spite of the persistent attempts of the party in power to explain this away it remains one of the most important conclusions of the Storting debate of the Tandberg affair. When it became clear that both the prime minister and the industrial minister rejected the main points in the criticism of the non-socialist parties, the Conservatives, the Center and the Christian People's Party found it necessary to stress their view in the form of a no-confidence motion that was rejected by a majority of Storting in the vote taken last night. Another no-confidence motion by the Liberals suffered the same fate but a motion from the Socialist Left recommending that the government arrange things so that operations at Tandberg could continue was approved by 82 votes to 73. No elaborate calculations are needed to determine that the Nordli government can now keep afloat. Against the background of the present composition of Storting this is a natural solution.

A major point in the debate was the cabinet minister's constitutional responsibility for a state enterprise. We have clear regulations that when the state steps in as owner the state must also assume the obligations of the owner and that is the responsibility of the cabinet minister. But both the minister and his party were unwilling to admit that there is a big difference between the minister's responsibility for a state-owned business and his responsibility for a privately-owned firm. In a critical situation for Tandberg when Storting had appropriated a quarter of a billion kroner in an effort to save the firm, Industrial Minister Haukvik chose to take the role of observer. When Tandberg, the industrial giant, was placed on the cabinet minister's desk he left it to the board of directors to make final decisions without taking the necessary steps to check on developments, unaware -- apparently -- of public responsibility for the use of hundreds of millions of tax kroner.

It goes without saying that such a decided lack of direct action cannot be used as a model of what should be done in cases of this sort. Both Storting and society have a right to expect a more energetic and constructive handling of national proprietary interests. And to demonstrate

that a repetition of the minister's action could not be accepted the three non-socialist coalition parties presented a motion saying that Industrial Minister Haukvik should have worked more actively in the rationalization process needed in the case of Tandberg Radio Factory, Inc. with the aim of preventing bankruptcy and the loss of jobs and other assets resulting from the bankruptcy.

Apparently both the government and Industrial Minister Haukvik were unwilling to admit that some conditions deserved criticism. If pressed the responsible cabinet minister might agree that he could have done a better job of informing Storting but otherwise he left most of it to the judgment of history. One is tempted to quote what C. J. Hambro once said of another prominent Labor Party man:

"He did the best he could. That must be his excuse. And also his verdict."

#### Tandberg Test Clarified Stands

Oslo ARBEIDERBLADET in Norwegian 31 May 79 p 4

[Editorial]

[Text] It has been said that Norway holds the world record for political stability with minority governments. The Bratteli government, the Korvald government and the Nordli government all lacked a parliamentary majority. But even so long periods of time elapse between crises in Norwegian politics. None of these governments had to contend with a fullblown government crisis. The only real example of something like this in the postwar period was the King's Bay crisis of 1963. The first Bratteli government stepped down as a result of the popular referendum on EC and the Borten government dissolved itself.

The Labor minority governments have not based their political life on firm agreements with other parties in Storting. The basis has been objective cooperation that included opposition parties. The cooperation is renewed from issue to issue and occurs with different parties. When Storting recently approved test drilling north of the 62d parallel the government's plan was backed by the Labor and Conservative parties. When Storting debated the Tandberg case the day before yesterday a government crisis was averted on the basis of an understanding between Labor and SV.

Some newspapers have claimed that SV saved the government in the Tandberg crisis. That is wrong. It would be more accurate to say that SV was the party that gave way, seeing its own interests best served by avoidance of a possible government crisis. We regard that as a wise decision, not least for SV itself. When the SV leader in parliament, Hanna Kvanmo, presented



the party's modified proposal she said that it must be regarded as almost identical with the statements made by the prime minister earlier in the debate concerning the government's attitude toward continued operation of the Tandberg firm. It goes without saying that the Labor Party had no trouble accepting the motion.

The Tandberg case has not changed anything with regard to the government's base. What happened does not make SV a more guaranteed government backer than it was before -- and the Labor Party doesn't want it to be either. Labor still wants the government's cooperation with shifting parliamentary majorities to occur from one issue to the next.

With regard to the stand of the so-called coalition parties (Conservative, Center and Christian People's Party) on the government issue we regard the Tandberg case as a form of clarification. The way the debate was conducted in this quarter and the way the parties' mutual proposal was formulated did not reflect any unified desire to assume government power. If such a desire and determination had existed the debate would have proceeded differently -- and in a much more coordinated manner -- than was the case. In addition the motion would have been formulated as a clear vote of no-confidence. The only clear no-confidence motion -- containing the word "deplore" -- was presented by Liberal chairman Hans Hammond Rossbach. This gave the entire opposition a chance to vote for a motion that clearly indicated lack of confidence without the need for any interpretation. But the motion received only the two Liberal votes.

We regard this as an indication that the coalition parties realize that there is no realistic alternative to the Labor government at this time. That is undoubtedly a correct evaluation of the actual situation. But this does not mean that the government now has clear sailing. Recently the opposition has shown a stubborn tendency to rap the government's knuckles -- for knuckle-rapping's own sake, in a manner of speaking. It is clear that no government can take this in the long run. Political stability with a minority government calls for a responsible opposition. Without that we can easily come into a more serious crisis than the one we have seen with the Tandberg affair even though the debate on this issue revealed that there is no broad desire for a change in government.

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CSO: 3108

## POLL SHOWS FIRST DROP IN CONSERVATIVES' SUPPORT IN YEARS

Oslo AFTENPOSTEN in Norwegian 25 May 79 p 3

[Text] The signs of declining public support for the Conservatives have been confirmed. Norwegian Market Data which presented its political barometer for April today noted a 2.7 percent decline for the Conservatives, a slight advance for the Labor Party, a strong jump for the Christian People's Party and a decline for the Center Party.

The tendency for the big parties is the same as that registered by the Norwegian Institute of Public Opinion survey barely 2 weeks ago. In that survey too the Conservatives suffered their first setback in ages while Labor gained a fraction and the Christian People's Party made strong gains.

The decline was something of a surprise for the Center Party. It had been thought in political circles generally as well as within the party that the first calm national convention in many years, one oriented toward political issues, would give positive results in the next political opinion survey. Instead the trend is just the opposite with a 1 percent decline in the Norwegian Institute's survey and a 1.1 percent decline in the Gallup poll. Although the figures differ somewhat the downward trend seems clear. But for the Center Party too several more surveys are needed before we can say that the pattern is a definite downward slide for the party.

It should be noted that all the changes in the Gallup survey lie within the statistical margin of error, set at up to 3 percent for the biggest parties and around 2 percent for parties with 10-20 percent support and around 1 percent for parties with less voter support than that.

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CSO: 3108

## DROP IN CONSERVATIVES' SUPPORT NOT SERIOUS

Oslo AFTENPOSTEN in Norwegian 26 May 79 p 2

[Editorial]

[Excerpts] Things go up and down in this world, whether we are talking about the weather, soccer or politics. For several days the meteorologists decorated our TV screens with cold low pressure systems and sad umbrellas before bringing out the big smile and trying to make us believe summer is here. The next day another low pressure system was building up over Great Britain, heading straight for us. You can't depend on the weathermen. Or on soccer players either. We were betting on sure wins for Lillestrom, Start and Bram and then the last two lost and Lillestrom had to make do with a tie. As our soccer colleagues wrote, you can't mention stability and Norwegian soccer in the same breath. Which brings us to the Conservatives!

For a long time Norvik and Willoch and Kaci have smiled at us with white teeth displaying big and encouraging Gallup figures and then -- like the proverbial lightning out of a clear blue sky -- came the report of a 2.7 percent decline. The Labor press rejoiced with stories about the Conservative slide in the Gallup poll. The ice-cold Conservative wind is starting to shift. Light is returning to Norwegian politics.

Well, what about the Conservatives? Party officials and the rank and file will have to make more of an effort, they say. Systematically and deliberately these efforts will provide another shift in the wind direction. There is no reason to become dismayed.

We don't intend to attempt a deep political analysis. We don't know whether or not it is true, as has been said, that it is the big leeward sail of the Conservative feminist group that collapsed in the breeze. We don't know if it is taxes or aid to developing countries or something else Conservatives haven't handled the right way. All we know is that the party has suffered a 2.7 percent decline. And we read that all the changes on the Gallup

barometer lie within the statistical margin of error which is defined as 3 percent for the big parties.

We don't mean to imply that a setback, large or small, should not be taken seriously. Conservative people can dig out the Center Party chairman's telegram of greetings to the party's national convention in which he -- whose sturdy little bush has now reached 6.6 percent -- reminded them that no tree grows all the way to the sky. That isn't the goal either, even for the most arch-conservative. The goal must continue to be to make a strong showing as the leading opposition party. Some 32 percent of the voters are involved so you can't talk or write about a wind that has died down. For a time the irritating Conservative wind has blown quite strong. Today its effect on the anemometers is somewhat weaker. And as we said, you can't mention Norway and stability in the same sentence. Whether we're talking about the weather or soccer or voters. Things go up and down in this world. And one can take a little of the "down" as long as the direction remains the same. We can still count on both Lillestrom and the Conservative Party. Without hedging our bets.

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CSO: 3108

## FOREIGN MINISTRY WANTS USSR TO ANNOUNCE NAVAL EXERCISES

Oslo AFTENPOSTEN in Norwegian 9 Jun 79 p 8

[Text] "The Foreign Ministry will take up the expulsion of 30 shrimp trawlers from Barents Sea fishing grounds with Soviet authorities at the earliest opportunity," press spokesman Torstein Sando told AFTENPOSTEN. What the specific opportunity will be is not yet clear.

According to the Foreign Ministry analysis other powers have a right to free passage and to conduct naval exercises within the 200-mile economic zone. But reciprocal consideration must be shown. The Foreign Ministry will now ask the Soviet Union to give prior notice of naval exercises in fishing areas.

"The provisions of the Helsinki agreement on prior notice apply to military exercises on land and unusually large naval maneuvers. The case in question in the Barents Sea was an exercise of traditional size," Sando said.

"It is amazing that something like this can happen," Leiv Gronnevet, secretary general of the Association of Fishing Boat Owners, said to AFTENPOSTEN, recalling that the same thing happened just 1 year ago. Six or seven shrimp trawlers were turned away from the Barents Sea by Soviet warships.

"The question we have is whether this was a coincidence or did the expulsion have some connection with the fact that the gray zone agreement is to be renewed next month," said Gronnevet who pointed out that Soviet warships have a tendency to turn up just before important Norwegian-Soviet negotiations.

"The relations of Norwegian fishermen with the Soviet Union have become increasingly strained and what happened in the Barents Sea is just a small part of the problem. Soviet fishing boats have decimated the cod population, the point agreement is unfortunate for Norwegian fishermen and now the Norwegian authorities have reduced the shrimp quotas for our boats



while trawlers from other countries are increasing their catches. All this points in the same direction -- a growing lack of confidence that the Soviet Union has the same goal as Norway, namely the preservation of the fish population.

"Norway no longer negotiates with the Soviet Union as an equal partner because the Russians extend their reach as much as their power permits. We realize that agreements are necessary," said Gronnevet, "but things can't go on like this."

On Friday things were quiet in the area and there has been no new contact between the shrimp trawlers and the Soviet warships. Most of the trawlers still lie near Tor Iversen Bank, NTB [NORWEGIAN PRESS AGENCY] learned from the head of Coast Squadron North, Captain Reidar Stolpestad.

Foreign Minister Knut Frydenlund maintained on "Review of the Day" that Norwegian fishermen should obey requests from Soviet naval vessels that they retreat from areas where naval ships intend to conduct artillery exercises. Frydenlund said on the program Friday that the various ships in the area have "reciprocal consideration obligations."

He did not believe the Soviet expulsion of the Norwegian shrimp trawlers pointed to the Soviet Union acquiring supremacy in the gray zone.

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CSO: 3108

## LABOR PARTY DELEGATION VISITS MOSCOW FOR TALKS

## Defend Norway's NATO Relations

Oslo AFTENPOSTEN in Norwegian 26 May 79 p 11

[Text] The critical attitude of the Soviet Union toward Norway's NATO membership, plans for stockpiling of allied equipment and allied maneuvers here in Norway were reintroduced by the hosts of the Labor Party delegation's visit to Moscow. Party Chairman Reiulf Steen emphasized for AFTENPOSTEN, however, that no new Soviet attitudes were expressed during the visit.

"Different judgments and views were expressed on these questions. We used the opportunity to emphasize the multipartisan unity in Norway concerning NATO membership. We left no doubt of our desire to maintain reduced tension in the north, and emphasized the importance of our self-imposed restrictions on our base and atomic warfare policies," said Steen.

The Norwegian delegation made it clear that membership in NATO was well established and this should be understood at the outset of talks between Norway and the Soviet Union on security policies. The Soviets did not suggest that conditions between the countries would be better if Norway remained outside of NATO. Neither were details such as the gray zone agreements or other unresolved questions between the countries discussed.

Yesterday the delegation had a 2 and 1/2 hour meeting with Politbureau members Mikhail Suslov and Ponomarev.

"We considered it interesting that Suslov emphasized the importance of Norwegian restrictions on our base and atomic warfare policies at the outset," said Steen.

Also Suslov referred to last year's Hopen accident without bringing forth a new Soviet position on that subject.

Reiulf Steen maintains that Soviet criticism of Norway was by no means the dominant issue during the Labor Party delegation's visit to Moscow.

"Our visit was very useful. Our expectations for this visit were more than fulfilled. There were no dramatic developments," Steen emphasized. "We were received with exceptional friendliness."

Throughout the discussion of bilateral questions, during which Soviet desires for wider cooperation in trade and cultural matters were expressed, a large number of international matters were taken up with Suslov and Ponomarev. The Russians placed heavy emphasis on the reduction of armaments and expressed hope that the new SALT II agreements will give impetus to the negotiations in Vienna on reduction of forces (MEFR) and the SALT III talks, Steen reported.

#### Upcoming Geneva Meeting Discussed

Oslo ARBEIDERBLADET in Norwegian 28 May 79 p 5

[Text] The chairman of LO [Norwegian Federation of Trade Unions], Tor Halvorsen, rebuked Soviet mass media for reporting a number of erroneous statements concerning Norway's situation and the role of the trade union movement in Norway, according to a press conference held Saturday following the return home of a delegation from the Labor Party and LO from a 5-day visit to Moscow.

Labor Party Chairman Reulf Steen said, "The most important aspect of our visit was not the contents of the conversations, but the importance that our hosts saw in our visit." The delegation had its most important discussions on Friday with 77 year-old veteran Mikhail Suslov, a member of the Politbureau. Suslov is close to Leonid Brezhnev, and demonstrated a good understanding of Norway's situation.

In the talks with trade union representatives there were discussions of what matters should be taken up at the all-European trade union conference to be held in Geneva in October. The Norwegians want to take up pollution problems and technological developments. The Russians want to discuss disarmament at the conference.

The Soviet Union is also interested in discussing cooperation on such matters as the possibility of an all-European electrical power grid, better utilization of the European canal system and prevention of pollution of waterways. On the matter of the electrical power grid, the Soviets maintained that due to the time differences between the countries for the peak hours of power consumption a power sharing grid would be advantageous. In general on the power situation the Soviets revealed that only 3-4 percent of their electricity comes from hydro- or nuclear power.

Minister of Environmental Affairs Gro Harlem Brundtland discussed among other things the pollution situation and contacts on the acid precipitation agreement.

## BRIEFS

SVALBARD COAL PRODUCTION DOWN--(NTB [NORWEGIAN PRESS AGENCY])--The Great Norwegian Spitzbergen Coal Company won't be able to meet demands for coal this year because a main mine on Svalbard is closed for improvements required under working environment laws. That means that Norwegian Coke and coal importers in northern Norway will not get as much coal as they were counting on for winter. The North Norway Coal Importers' Association has reacted strongly to the cuts. At the same time as Great Norwegian canceled an earlier agreement and reduced deliveries for fuel purposes in North Norway from 25,000 to 15,000 tons the price has been raised from 285 to 310 kroner. The chairman of the North Norway Coal Importers' Association, director Christian A. Jakhellin, told NRK [Norwegian Broadcasting Corporation] in Nordland that this will hit coastal areas where no other fuel is available. If coal importers receive so little Svalbard coal that profitability is affected there is a risk that reception depots in North Norway will be shut down. Jakhellin is very concerned about this, saying that it could affect residential patterns in that part of the country. The coal importers have protested to Great Norwegian and will also take the matter up with central authorities. There is great demand for coal as a source of energy today but Great Norwegian does not expect to be able to ship more than around 300,000 tons this year. That is much less than in past years. The reason is that operations have been shut down in Mine 7 because the working environment law requires changes that will take 2 or 3 years to complete. [Text] [Oslo AFTENPOSTEN in Norwegian 8 Jun 79 p 23] 6578

CSO: 3108

## SOCIAL DEMOCRATIC PARTY CONGRESS REPORTED

Lisbon EXPRESSO in Portuguese 23 Jun 79 p 7

[Text] For a party all of whose congresses have been consistently marked by quarrels, clashes or at least more or less obvious disagreement, the Seventh Congress of the PSD [Social Democratic Party] was an exception, so serene and calm were the proceedings, so sluggishly peaceful were the conclusions reached. Even where and when there was not absolute unanimity, there were no adamant positions or ultimatums with threats of schism.

In terms of strategy, the congress produced two basic points: approval of the pre-electoral agreement of the government, with the CDS [Social Democratic Center Party] and the PPM [Popular Monarchist Party] (and open to democratic individuals, such as the "reformers") and the postponement of the final decision of the PSD on the possible candidacy of Gen Romalho Eanes.

As to the first of these two points, there was no particular surprise since the majority of the strategic motions submitted to the congress were prominently defended by the so-called Meneres Pimentel and Helena Roseta motions.

In the course of the congress, only Alberto Joao Jardim categorically opposed this agreement, setting forth reasons which were, above all, of a regional nature. It was noted that in Madeira, the relations between the social-democrats and the centrists have always been characterized by some friction.

Some other speakers raised problems pertaining to the pre-electoral agreement of the government, but did not openly oppose its approval.

Thus the congress debate was extremely clear in numerical terms, with few abstentions and opposing votes.



## Gaining Room to Maneuver

The discussions undertaken pertaining to the possible candidacy of Gen Romalho Eanes reflected the basic desire of the PSD to gain maneuvering room in the future on a matter which by its very nature is rather delicate.

Francisco Sa Carneiro, pursuing the logical line of his earlier public addresses, proposed to the congress that it now categorically declare that it would never support the candidacy of Romalho Eanes.

Reflecting a consensus which has been developing in various leading circles of the PSD, and of which a speech by Helena Roseta at a meeting held a week ago was an indication, Leonardo Ribeiro de Almeida suggested that the decision the PSD would make on the candidacy of Romalho Eanes be postponed to a more timely date, and delegated by the congress to the national council.

Thus the national council of the PSD, when it deems it has obtained the elements of information necessary to make a final decision, will choose between one of two alternatives: either to support the initial proposal of Francisco Sa Carneiro, refusing PSD support of the candidacy of Romalho Eanes, or to postpone any decision on the matter, as a way of leaving the door open to support for another Romalho Eanes candidacy without clashing with Sa Carneiro.

In either case, the fact that the Seventh Congress postponed a choice of this nature to a later date makes it impossible to say that the solution to the present government crisis for which President Eanes has opted was influenced positively or negatively by the PSD. And it increases the maneuvering room for the social-democrats, who are not bound by any definitive attitude with the 1980 presidential elections a year and a half away.

Francisco Sa Carneiro agreed to the suggestion made by Leonardo Ribeiro de Almeida, and the majority of the congress supported this suggestion. Only a few delegates indicated their concern about what they regarded as a "retreat by the PSD and its president with regard to Eanes."

Another proposal put forth by Mota Amaral was also approved overwhelmingly, with regard to the presidential elections next year. It concerned the hypothesis that the president of the republic might be a military officer on active duty.

As the synthesized motion reads, the support of the PSD is authorized for a civilian candidate or a military officer who is not on active duty.

Mota Amaral proposed that the term "in principal" be introduced, thus providing for the possibility that under certain conditions a military candidate on active duty might be supported. One of the reasons set forth to the congress to justify this proposal was the possibility that presidential elections will be held in advance, in a situation such that it would be impossible to find a candidate who is not a military officer on active duty.

### Support of Sa Carneiro

In addition to the two strategic points mentioned, some personal aspects were stressed at this Seventh Congress of the PSD held at the Roma Theater in Lisbon.

The first of these had to do with the undisputed reconfirmation of Francisco Sa Carneiro in his post as president of the PSD.

Elected by the unanimous vote of the congress delegates, Sa Carneiro led the general debate and even the specialized debate. The way in which he responded to the arguments set forth by Alberto Joao Jardim against the pre-electoral agreement of the government with the CDS and the PPM was, specifically, very important.

In a few words, he summarized the unity of the PSD, beyond certain disagreements of no major impact, imposing a determining direction on the conclusions of the congress and in particular the motion synthesizing the strategy discussed there.

The new president of the National Political Committee Leonardo Ribeiro de Almeida gave a well thought out, in some instances cautious, address, but the number of votes he won was significant--567, the largest within the National Political Committee, equal to the votes for Tomas Oliveira Dias, the well-known Leiria leader.

Others elected, in the order of the number of votes they won, were Eurico de Melo, a CIP [Portuguese Industry Federation] leader from Braga, with 562; Angelo Correia, the leading strategist of the party, regarded as close to Meneres Pimentel, with 551; Francisco Pinto Balsemão, EXPRESSO publisher, party founder and foreign relations official, with 543; Antonio d'Orey Capucho, former director-general of the party and the young secretary general, with 541; Mario Adegas, bank manager, a technocrat by inclination, with 541; Helena Roseta, founder of the new Social Democratic Womens Movement, along with Natalia Correia and Amelia de Azevedo, with 538; Carlos Macedo, president of the Lisbon District Political Committee, with 538; Jose Manuel Barradas, a trade unionist from Alentejo, with 520; Amandio de Azevedo, former secretary general, with 509; and Antonio Cabecinha, a trade unionist from Lisbon, with 507.

Francisco Sa Carneiro will continue to preside over the national council of the PSD, while the officers of the congress include Nuno Rodrigues dos Santos as president and Alberto Joao Jardim and Mario Montalvao Machado as vice presidents.

Antonio Sande de Lemos is the president elect for the National Jurisdiction Council.

A rather outstanding feature of the congress was the enthusiastic applause won by the addresses delivered by three social-democratic leaders: Meneres Pimentel, Mota Amaral and Francisco Pinto Balsemao.

Another equally outstanding feature was the important political role played by the new secretary general, a young man of 30 some years, who comes from the party base and who was the real author of the conciliation plan reflected in the drafting of the synthesized strategy motion. He is Antonio Capucho, who read the conclusions approved by the Seventh PSD Congress at the closing session.

#### Meneres Pimentel

While many expected that Meneres Pimentel would be one of the bones of contention at the Seventh National Congress of the PSD, precisely the opposite occurred.

He had announced he would make a long and detailed personal address about the party situation, supplementing the submission of his report as outgoing president of the National Political Committee.

The expectations became the greater since Meneres Pimentel finally refused to remain as president of the National Political Committee after having posed rather demanding conditions of the district committees in connection with the team which would assist him, conditions which would specifically lead to the exclusion of certain well known individuals normally described as members of the "ultra" faction in the party (for example, Amandio de Azevedo and Moura Guedes).

On the other hand, dissident social-democratic sectors were betting rather heavily on the increase of tension between Meneres Pimentel and the new political leadership of the party, a deterioration which could lead to a new party schism.

In fact, none of this came about.

Meneres Pimentel submitted his report as president of the National Political Committee. But instead of making the violent personal statement which was expected, he delivered instead an extremely calm and conciliatory address, winning enthusiastic applause from the congress.

From then on he became, following Francisco Sa Carneiro the great triumphant figure of the Seventh Congress of the PSD.

The strategic motion of which he was the main supporter incorporated a substantial portion of his position in the synthesized motion approved by the overwhelming majority of the participants in the congress.

At various points, Sa Carneiro was to defend proposals included in the motion of which Meneres Pimentel was the leading proponent.

His name was to be applauded repeatedly during the two days of the congress.

Meneres Pimentel succeeded, to the surprise of many, in departing from a leading post wearing a halo of almost unanimous party support, establishing him as something like a reserve political force within the party.

In the past, the PSD leaders who were in a comparable position to that enjoyed today by Meneres Pimentel could be counted on ones fingers.

Perhaps, strictly speaking, this would apply only to Antonio Barbosa de Melo, in the period of time during which he was absent from the party leadership, preparing his doctoral thesis, after having been endorsed as the number two man in the party at the Lisbon congress a year ago.

Sousa Franco never achieved this position, strictly speaking, because he vacillated between a reserve party force and the leadership of a movement for separation from the PSD (this vacillation was most obvious between August of 1978 and February of 1979).

Although enjoying less favorable objective, and perhaps even subjective, conditions, than those two politicians, Meneres Pimentel has acted with a caution and a calm much superior to the qualities they revealed.

For those who expected to see him cause a schism or an upset at the congress, what actually happened was much less dramatic and more mundane: a former president of the National Political Committee has won space and time for the future, accepting the rules of the party game, and deliberately choosing a reserve position, which may in the future also be a position from which to win office.

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CSO: 3101

## PCP ORGANIZATIONAL MAKEUP DETAILED IN CHART

Lisbon AVANTE in Portuguese 17 May 79 p 9

[Text] Our party congresses are always an opportunity for a careful accounting, duly quantified, of the development of the organization since the previous congress, namely, with regard to the number of members, composition by class and age, number of party cells and number of work centers. This will also be the case with the ninth congress, during which the figures will be given for these and other items. Singly and in combination, these figures will give a precise idea of the nature of the PCP [Portuguese Communist Party] and how it is faring today. It is noted that the interest in this type of analysis is far from purely statistical; a knowledge of the organization is essential if it is to be improved and to meet to an increasing extent the political needs imposed by the party's duties in defense of the people's interest.

We are publishing a chart of the figures recorded in January 1978 in the Eighth General Accounting of the Organization, based on December 1977 data. Those were the last official figures to be published, but they are obviously out of date by now.

Since that time the party has continued to grow, and other qualitative changes have also been occurring, as we will have an opportunity to observe during the ninth congress. Meanwhile, the chart we are publishing here will make it possible to become more familiar with party development since the end of 1976.

It will be seen immediately that the development of the organization since the eighth congress is characterized by notable growth and reinforcement. Noteworthy aspects of this reinforcement are the considerable increase in the number of members (in September 1977 there were 115,000; in December 1977 there were 142,512), the predominantly working class composition, the recruitment of peasants and young people (encouraging, but not yet at the necessary and predicted level), the notable recruitment of women (in September 1976, women represented 17 percent of the party; by December 1977 this figure had reached 20 percent), new steps in organization and the advances observed in zones and locales where the party had been very weak.



## Two Important Facts

It is noted that there was important progress in organization, demonstrated by the following facts, among others: creation of 5 new directorates of regional organization, 24 new advisory committees, 34 new parish committees and 234 new local committees, and a significant increase in cell and nucleus secretaries.

Two other facts of major importance should be noted at this time. One pertains to recruitment: the "April Conquest Promotion," a highly successful campaign, with extraordinary impetus for the expansion of the party and its influence among the masses. The campaign was conducted between August and December 1977, and its goal was to enroll 10,000 new members; 27,167 members were recruited--almost triple the projected number!

The other significant fact was the realization of hundreds of party organization assemblies following the eighth congress and implementing a decision of that congress. (More than 80,000 members took part in over 500 assemblies). As noted in the agenda proposal, this series of meetings "marked a considerable reinforcement of the organization and its structure, of the leadership capacity and initiative of intermediate organs and of democratic methods and styles."

This document, now under discussion throughout the party, emphasizes that despite the favorable development of the organization, namely, broad recruitment, there are still deficiencies to be overcome, and it points to specific measures to achieve this.

Based on the discussion of the agenda proposal and implementation of the decisions that the ninth congress will adopt, we are sure it will be possible to overcome these deficiencies through the militant commitment of all the party members.

It is vital to remember that "the organization of a party is a paramount factor in its power, its influence, its ties with the masses and its capacity to mobilize the people. Continued reinforcement of the organization is vital if the party is to carry out its political tasks."

# General Accounting of the Organization

Number of party members	142,512	Percentage
Social composition		
Workers	83,479	58.6
Industrial workers	64,738	45.4
Agricultural workers	18,741	13.2
Employees	27,803	19.5
Farmers	2,099	1.5
Intellectuals and technicians	8,001	5.6
Others	21,130	14.8
Composition by age		
Less than 30 years	49,847	35.0
From 30 to 50 years	64,527	45.3
Over 50 years	28,138	19.7
Women	28,526	20.0
Number of party structures: 8,155		
Number of Work Centers: 424		

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## LEFTIST GROUPS DISPUTE CONTROL OF STUDENT MOVEMENT

Lisbon EXPRESSO in Portuguese 9 Jun 79 p 6

[Text] According to well-informed sources, the Socialist Youth (JS) may shortly form a student front, with a view to ending the polarization of the affiliated movement, which is divided between the UEC [Union of Communist Students] and the JSD [Social Democratic Youth].

In this connection, meetings are said to have been scheduled with representatives of the UEDS, which in the recent electoral processes participated in the UEC slates, as well as representatives of the Social Democratic Action Youth (JASD), which already has an installation commission. It is also expected that the JASD will release a statement next week defining its lines of action.

While the JS is planning this new front, the UEC and the JSD continue to wage a battle for control of the affiliated movement, in particular on the university level. In fact, in the last ten elections held by students' associations, the UEC has made a significant advance over its adversary, having won seven of those elections.

On the other hand, the votes cast this year serve to confirm the polarization of the students once again. In this connection, that Sa Carneiro's thesis of bipolarized youth bore full fruit for his party. In addition, it seems that the recent split which occurred within the JSD did not affect the influence of that student force, despite the fact that some of the dissident members hold key posts in the student apparatus. Thus, the JSD continues to channel the votes not only of the social-democratic students, but also those of other groups farther to the right, as is the case with the Centrist Youth. It will be remembered that the Christian Democrats, who are currently trying to penetrate the Trade Union Movement, have not yet succeeded in winning any election on the higher educational level, reflecting serious difficulties in developing influence in the universities. The same phenomenon prevails for the students of the MERN [Independent Movement of National Reconstruction], or the nationalists, who despite a certain influence on the secondary educational level, specifically in certain secondary school establishments in Oporto, have not been able to provide a real alternative to the JSD.

Where the UEC is concerned, the surprising advance seen in the recent elections continues to be significant, and cannot fail to be linked with the shift toward sectors farther to the right in national political life. In this connection it should be stressed that in connection with the PREC, the communists and the extreme leftist forces suffered serious reverses in the affiliated movement, with the JS first, and later the JSD being successful in winning significant positions in the student apparatus.

The tactic of greater openness toward other organizations and the resulting establishment of joint slates, along with the student reaction to the prevailing political regime, are thought to have contributed decisively to the recent triumphs of the UEC.

Finally, the UDP [Popular Democratic Union] and the MES [Movement of the Socialist Left] have drafted single slates, with the exception of the Lisbon Faculty of Sciences, where they again won the association elections, with the JSD triumphing on the second ballot, with the third still to come.

The triumph of the UEC at the Lisbon Faculty of Law was without a doubt the most important in the current school year, since for the first time since 1975, the communists won leadership at that school. The JSD, which two years ago controlled the law school, found it had lost one of its main supports in the affiliated movement when the JS was able to win no more than 162 votes.

However, the elections at that higher faculty were invalidated by the electoral commission at the request of the JSD. A spokesman of the UEC said that "The decision of the electoral commission should not be accepted by a court of arbitration since the invalidation of the election was based on two irregular write-in votes, while the difference in votes between the UEC and the JSD exceeded 90."

The main triumph won by the JSD, in turn, was at the Higher Technical Institute, which thus remained under the control of the social-democrats. The JSD also succeeded in beating out the UEC at the Higher Engineering Institute in Lisbon, and in consolidating its positions in the Faculties of Pharmacy and Agronomy.

The advances made by the UEC in medicine and the Institute of Labor and Business Sciences were also particularly significant.

In Coimbra, the JSD remains in control of the fate of the Academic Association, despite the general assemblies sponsored by the UEC, JS and UEDS, in an effort to force the social-democrats to bow out.

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## POLITICAL DISSIDENT GROUPS UNABLE TO UNITE

Lisbon EXPRESSO in Portuguese 16 Jun 79 p 6

[Text] While the independent social-democrats are taking the first steps, with the ASDI, in the direction of a new party structure, what is happening with the other groups of individuals who have also been seeking to occupy the political space beyond--and as an alternative to--the parties that represent it currently in the Republican Assembly?

The new party undertaking attributed to the outgoing prime minister, Mota Pinto, seems to be no more than a mere hypothesis, especially since the resignation of the Fourth Government, its potential launching pad. As to those who have underwritten the Reform Manifesto, they are still awaiting the development of events, with every indication moreover that their actual occupation of the field remains increasingly dependent on factors beyond their control, and above all, on decisions in Belem.

Another group which entered the race to establishing a new party in the central section of the political spectrum, between the PS [Socialist Party] and the PSD [Social Democratic Party], is the Independent Civic Commission (CCI), with headquarters in the city of Oporto. Perhaps for this reason, the CCI has not become so well known, despite some precise action taken in the form of collective texts published in certain newspapers, in particular DIARIO DE NOTÍCIAS.

## The Independent Civic Commission

Developing out of the ad hoc commission for the 31 January 1978 commemoration activities, the CCI was further expanded and began to pursue more intensive activities about two months ago. Although some observers view it as a northern extension of a future party proposal under the sponsorship of the president and in particular the Fourth Constitutional Government, CCI leaders reject this picture of their political activity, insisting that on the contrary they are the heirs to undertakings pursued by the democratic opposition during the Salazar era, specifically the National Independent Movement (established in Oporto to support the candidacy of Gen Humberto Delgado in 1958 presidential elections) and the vote-seeking commission inspired by Antonio Sergio.



According to what an CCI spokesman said to EXPRESSO, the commission claims no relation with any specific ideological or party orientation and is not concretely seeking to establish a new political party. Although characterized by affiliation with the center-left (well-known intellectual leaders affiliated with the commission, such as Vitorino Magalhaes Godinho and Jose Augusto Seabra, are involved in the PS sector, in the first case, and that of the PSD and the MSD, in the second), the basic goal of the CCI is to mobilize public thinking toward greater participation in public life. The positions of the CCI where the struggle against abstention and in particular its criticisms of the present electoral law are concerned fit within this perspective. In fact, the CCI has come out in favor of independent--and thus without party influence--candidates, by means of a new organization of the electoral structure.

#### Disagreement With Reform Supporters

The CCI regards the fact that it began to dynamize its activities at a very distinct period in our national political life (presentation of the Reform Manifesto and the adoption of independent status by the "urgent" faction and other deputies in the PSD, the possibility of the establishment of a presidentialist party) as "a coincidence." On the other hand, there is a significant difference pertaining to the reform supporters, a difference which naturally takes on larger proportions due to the limited and temporary nature of the activity of the two movements. Unlike what Medeiros Ferreira and Antonio Barreto urge, the CCI only favors recourse to a referendum within the strict limits clearly defined by the legislative branch--and, in any case, involving no basic revision of the constitution, defending a semipresidentialist option in this connection, one to the left of the proposal of the reform sector.

#### Other Differences

As to the independent social-democrats, the CCI also differs with them, although these differences are focused on particular problems of position with regard to the parties in the adjacent political space. For example, while the independent social-democrats seek a clearer separation from the PSD, the CCI would be more available and less sensitive in this specific sector, since it was not marked at its origin by the effects of a schism such as that which was to give rise to the ASDI. On the other hand, the fact that the independent social-democrats are represented in the Republican Assembly, with all that entails on the level of political dynamics, is also one of the reasons keeping them outside the orbit of action (immediate, at least) of the CCI, which stresses its "care to avoid interference in parliamentary life."

Meanwhile, the CCI has been supporting the president of the republic, particularly where the positions adopted by General Eanes in his address last 25 April and on the amnesty veto are concerned. But according to a spokesman for the commission, this agreement does not prevent criticism of the "limited action and lack of definition by the president at certain crucial moments."

Despite this, the CCI makes a point of stressing the semipresidential nature of its proposal: "The Portuguese regime is semipresidential, not presidential in nature. We are semipresidentialists."

The CCI was born in the northern part of the country, where there are now affiliates in Viana do Castelo, Braga, Vila Real and Aveiro, especially among individuals connected with legal and university circles, which has led some of its critics to term it an "association of the elite" without real social influence. The northern origin of the movement is explained by its supporters in terms of the fact that regional interests had been neglected by the representatives in the Republican Assembly. This explanation is moreover applied to most of the organizations established in the north, frequently the result of a feeling of exclusion from the centers of decision, but tending to crystalize sometimes in a spirit of "northern nationalism."

#### Unrelated to Current Movements

However, Medeiros Ferreira stressed in statements about the current political crisis made to EXPRESSO that for the time being the reform supporters are "unrelated to the current movements, since at this time it does not seem possible to us to interest substantial forces in a proposal we think is the best for Portugal."

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## UGT LAUNCHES NEW LABOR OFFENSIVE

Lisbon EXPRESSO in Portuguese 23 Jun 79 p 6

[Text] In proposing at a press conference held this week that a social pact be negotiated with the next government, the UGT [General Union of Workers] adopted an attitude unexpected by the central trade union organizations, making its own advance with a view to weakening the movements of its members to obtain satisfaction of demands, and expecting willingness to accept limitations on the improvement of the economic situation. Further, the UGT, through this position, is seeking to demonstrate to the base levels a particular sense of responsibility, such to win back the confidence of a larger number of workers. Indicating a clear awareness of the delicate crisis the country is experiencing, the leaders of the new central trade union organization are trying to turn around to their advantage a situation which at the beginning hindered the establishment of this body in the labor sector: its affiliation with government leaders.

For example, they are launching an internal offensive, after winning two major triumphs on the international level: the settlement of the dispute with the Intersindical involving the delegates to the ILO [International Labor Organization] (see report elsewhere on this page) and admission to the ICFTU [International Confederation of Free Trade Unions] (confirmation of acceptance, to be ratified at the next CISL congress scheduled for November in Madrid, was received this week). And this campaign is being launched precisely at a time when the Republican Assembly is about to debate the new trade union law, a basic tool to enable the UGT to face up to the Intersindical.

In fact, if the socialist draft trade union law is approved or at least a system of indirect representation in trade union organization is established, with the institutionalization of the trade union congress, the UGT can hope to achieve a position close to that of its rival in terms of influence. However, both the constitution now in effect and the ILO norms prevent any imposition from outside on the workers in the matter of their organization, which makes the plans of the UGT sector difficult. This despite the fact that if there is no progress toward a fifth constitutional government prior to intercalary elections, no agreement between the communists and socialists on this matter is needed.

However, the leaders of the new central trade union are drafting the pact, counting on the good relations they have with the political sector from which any future government will certainly emerge for the success of their work. And with the pact they will seek to provide the workers with a surprise such as a presentation of their file of claims, in which they demanded rights in excess of those asked by the Intersindical.

That organization is in turn especially concerned with the legislation on trade union organization, having scheduled a workers' demonstration for next week, for the purpose of defending its viewpoints. At the same time, it is supporting the mobilization of the workers in various labor struggles (see report elsewhere on this page), struggles in which, perhaps for this very reason, there has been clear evidence of moderation.

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CSO: 3101

## REGIONAL LEADERS SHOW DIFFERENT ATTITUDES TOWARD LISBON

Lisbon EXPRESSO in Portuguese 19 May 79 p 10

[Article by Cesar Camacho]

[Text] Funchal--The regional governments of the Azores and Madeira held working meetings in Funchal for 3 days on the occasion of the visit by a delegation of the Azorean Regional Government, led by Mota Amaral.

It could be said that the Azores came to Madeira to no definite end in mind, in view of the positions expressed by the two political leaders and chiefs of their respective local governments. In fact, as early as the official welcoming session in honor of Mota Amaral, we were witness to varying conduct, both in their relations with the press and in their public acts.

We heard two different speeches: that of Alberto Joao Jardim, demonstrating a discontented populism and revealing an almost overriding anticommunism; and that of Mota Amaral, cautious and conciliatory, although he aggressively defended his position respecting his evaluation of the designs of the left and the extreme left.

The only common ground in the two speeches appeared when both leaders referred to "the need to demand revision of the constitution." In this regard, Alberto Joao Jardim said: "The government of the Autonomous Region of Madeira recognizes the urgent need for constitutional revision, and views it with both hope and fear...hope that will never fade, no matter how great the difficulties we face or how long we are obliged to wait. Our maturity in politics and in government will not allow for paternalism or mistrust, especially when that mistrust comes from centers of proven incompetence and instability."

Jardim also referred to what he called "the resistance of Madeira and the Azores when everything appeared to be lost in the holocaust of dictatorship, installed on 28 September 1974." He praised Mota Amaral, but said he was convinced that the chief of the Azores government must have been tricked by the republic and the party (PSD [Social Democratic Party]) into embarking on missions that, according to Jardim, "they are not at all ready to carry out."



In this regard, Mota Amaral later told journalists: "I have no gift for divining or making prophecies," and that Jardim was solely responsible for his own statements.

Amaral also said the chief of the government of Madeira was attempting to develop a federalist concept for the country. Amaral opposed that position, declaring that "in spite of everything, with respect to the development of a serious program for self-government the present constitution is more favorable than any federalist concept." He added that such a position must also be considered to be Jardim's personal and individual initiative, and is not supported by Azorean parties or individuals.

#### Mota Amaral: A Different Reading

"Today it is possible to judge the validity of democratic self-government for the people of the two archipelagos. This judgment is undoubtedly positive and encouraging to those who have taken on their shoulders the tasks of this beginning phase," said Amaral.

The Azorean leader said that self-government is fitting because it is the express wish of the Azorean and Madeiran peoples and, above all, because they have always seen it as an evolutionary and gradual process.

In his speech, Amaral touched on a political area in which the islanders are more sensitive: the Eastern bloc's interest in penetrating and influencing this Atlantic region. "Warsaw Pact powers are already flying their colors at our ports. We have already begun to exchange folk groups with the Soviet Union. Soon it will be time for visits by men of letters, politicians and youth groups. As for me, their attitudes should be viewed without chauvinism (unlike Alberto Joao Jardim's position), with an open mind, which after all is suited to our philosophy as an island people, always ready to offer welcome and to maintain a dialog. In such sensitive areas, however, prudence dictates that the men who govern remain very cautious."

Amaral said the Madeira-Azores-Canary Islands triangle was a center of geostrategic interest to the great powers, and pointed out the risks of a Marxist predominance of power, risks that would nullify any intentions to establish Western civilization, the express choice of the majority of the people.

He condemned what he called "persecutory measures--by which some individuals attempt to stifle the regrets that arose after an exemplary decolonization," declaring that "this is not the way to resolve the problems."

More diplomatic, more politic, Mota Amaral managed to soften the image left by Alberto Joao Jardim, whose speech was in frontal opposition to the constituted powers. In many passages of his address, the "present strong man of Madeira" showed great displeasure with the principles of the very party that had installed him in the island government.

This is certainly why Amaral, replying to a question put by EXPRESSO, declared: "The two regional governments are in political agreement only insofar as they subscribe to the principles of the self-government plan proposed by the PSD," meaning they were not united on positions that were merely individual or personal, going beyond the letter and content of the program.

#### Funny Man

One of the customs retained by the political class in Madeira is that of giving honorary dinners. The politicians and reporters were honored at dinners for 3 days running; there was a dinner marking the arrival, a dinner to charm the press and a farewell dinner.

The first one, on Sunday, took place in a Madeira-style restaurant, with folk music and regional cuisine. Alberto Joao was the principal attraction. He danced, leapt, drank and sang.

He conducted the singing, in competition with a group of American tourists. He smiled happily when a tourist, speaking for his group, expressed their pleasure at having the company of the regional officials at the restaurant. After that Jardim sang some more--everything from "Bailinho da Madeira" to "Alecrim aos Molhos" ["Rosemary for the Bouquets"]. The Americans ended with the national anthem of the United States, and Alberto Joao ordered everyone to be still. When the American had finished, the party was over.

On hearing that this was the chief of the regional government of Madeira, an American at the next table said: "What a funny man!"

#### Jardim Blames Central Government

An unofficial note from the Regional Government of Madeira accuses the Lisbon government of using a colonialist approach to Madeiran problems.

The note, which was published in the local press by order of the chief of the regional government, pertained to explanations offered by the Ministry of Transportation and Communications in reply to a question recently raised by EXPRESSO about the Funchal Airport.

The note from the Madeiran cabinet declares that the information supplied by the Transportation Ministry, which the cabinet had learned about through the newspapers, does not correspond to the situation.

It adds that Madeira had already sent a copy of a viability study to the central government, through the minister of the republic.

According to the regional government, the study pertains to the construction of an airport in Santo da Serra, seeking immediate consideration as an alternative to the studies that have been conducted regarding the Santa Cruz field.

The published communique also notes that the regional government was "surprised at the colonialist tone of the report from the Transportation Ministry," adding that this is "not the first time this has happened with that ministry, on a par with the similarly overbearing attitude of the Ministry of Commerce."

Jardim reminds "public opinion, the country and the Mota Pinto government in particular that it is up to the Madeiran people to decide on a feasible airport, as well as to make pronouncement on other issues that are vital to their future."

This was one of the many unofficial notes that are turned out almost daily by the Madeira Regional Government.

As its basic theme, and presupposing the immediate revision of the constitution, the final communique regarding the proceeding of the Madeiran and Azorean representatives refers to the expansion of the powers granted to the regions, especially in the legislative area. In that area, it was agreed that such powers should be limited only by "a very clear definition of the exclusive responsibility of the sovereign organs [Lisbon government]." The major areas in which the regions seek broader powers are the economy, finance, taxation and monetary and exchange policy.

The two governments concur that the autonomous regions shall not be subject to "any political agreements that might be reached at the national level, seeking to overcome the crises that the sovereign organs are now undergoing."

The position is defended by both regional governments. They believe that "the constitutional premise of a separate political life, in a normal political, social and administrative climate, has come to be confirmed." The communique expresses the position of the two cabinets regarding the national crisis. The documents states that the crisis "could be overcome by means of early elections followed by a referendum determined by law, passed by the new assembly, to give that assembly broad constituent powers, which would save the country from having to hold new elections in 1980."

The policy to be followed by both governments should demonstrate a concern to keep abreast of the European regionalization movement, through the active participation of 'the islands' institutions in the competent international agencies.

#### Cooperation Accord

In addition to the communique, an agreement on principles was signed by the two parties regarding cooperation in the areas of economics, agriculture, industry, trade, energy, transportation, tourism, education, culture and sports.

Regarding economic development, the document states that the two regions should reach prior agreement on the principles that should guide their deal-

ings with the republic, to avoid jeopardizing the specific interests of either party. It stresses such matters as "reconciliation of regional plans with the General Budget of the State, aimed at budget allocations to finance the investments required for regional economic development."

The agreement provides that the two governments will work together to set monetary, fiscal, financial and exchange policy.

Additional protocols will develop the content of the present agreement with respect to fishing and other specific areas, namely exchange of technology, agriculture and subtropical fruit culture.

A basic provision of the agreement is the establishment of the exchange of personnel, for better utilization and evaluation of maritime resources and the study of problems of marine ecology.

The agreement also provides that the two regions will attempt to develop trade relations, including the provision of information contributing to the improvement of foreign trade.

As provided in the present agreement, cooperation in the area of education is based on the future of the Azores University Institute, the Higher Institute of Plastic Arts of Madeira and the Madeira Conservatory of Music. The aim is to establish modes of cooperation and exchange, thus guaranteeing the intention of the two governments to create conditions for the regular enrollment of students and support to qualified teachers.

Also in the area of education, the regional governments propose to hold joint discussions on measures to oversee the implementation of new programs. The autonomous regions reserve the right to recognition of the differing nature of their individual educational requirements.

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CSO: 3101

## PORTUGAL

### GENERAL STATE BUDGET FOR 1979 EXAMINED

Porto O PRIMEIRO DE JANEIRO in Portuguese 30 May 79 pp 1, 23-25 of supplement

[Article by Albano de Melo and Joaquim Pereira da Silva]

[Text] The general state budget can be defined roughly speaking as an estimated table of the income the government expects to attain (basically by means of taxes) and the expenditures it plans to make on the "maintenance" of public services and economic development programs (specifically, investments).

For long years it was an accepted fact that budgetary balance was basic and reflected healthy economic management.

This concept has ceased to prevail, and budgets are frequently drafted today in which either income or expenditures have greater weight, i.e. show a surplus or deficit, respectively.

In this connection it is interesting to note that the first deficit budget in the United States did not appear until the 1960s. And the guidelines of the American officials calling for a decrease in taxes when there was already a substantial budget deficit was received with some surprise. It should be further added that President Kennedy's advisers were persuaded that a wise economic policy did not necessarily require a balanced budget in a given period of time. And since the deficit did not entail an increase in national indebtedness at a rate in excess of that of national production, a "healthy economy" could exist.

In fact, the reduction of expenditures or an increase in the income of the state is sought, as a rule, to counterbalance certain economic situations in close coordination with monetary and balance of payments policy.

To be specific, the limitation of public expenditures (with "normal" income coverage) is effected to offset a situation characterized by inflationary pressure, while a decrease in income in turn (while maintaining an increase in expenditures) is designed to encourage economic activity.



Finally, we encounter situations in which given a depressed economic situation, an effort at budget deficit containment is made (by means of limiting expenditures--current expenditures above all--and increased taxes).

In these cases of urgent need to combat inflation and the imbalance in foreign payments, as well as to achieve healthy state financial management, the need for economic upsurge as such stands out.

A balanced policy will be that in which the balance deficit is due only to the making of investments, i.e. when current expenditures and current income are equal.

In the past four years Portugal has experienced a substantial increase in public expenditures (above all for consumption, but for investments as well) which has not been compensated by an increase in income, due to the breakdown in economic activities as such, in addition to tax evasion which it is difficult to control.

The state current balance alone (the difference between current income and expenditures), which was positive in 1973, showed a deficit of about 28 million contos by 1978.

If we add to this deficit the capital expenditures total (specifically the investments regarded as "priority" for the economic and social development of the country), we have an overall deficit for last year of about 82 million contos (as compared to 11 million in 1974).

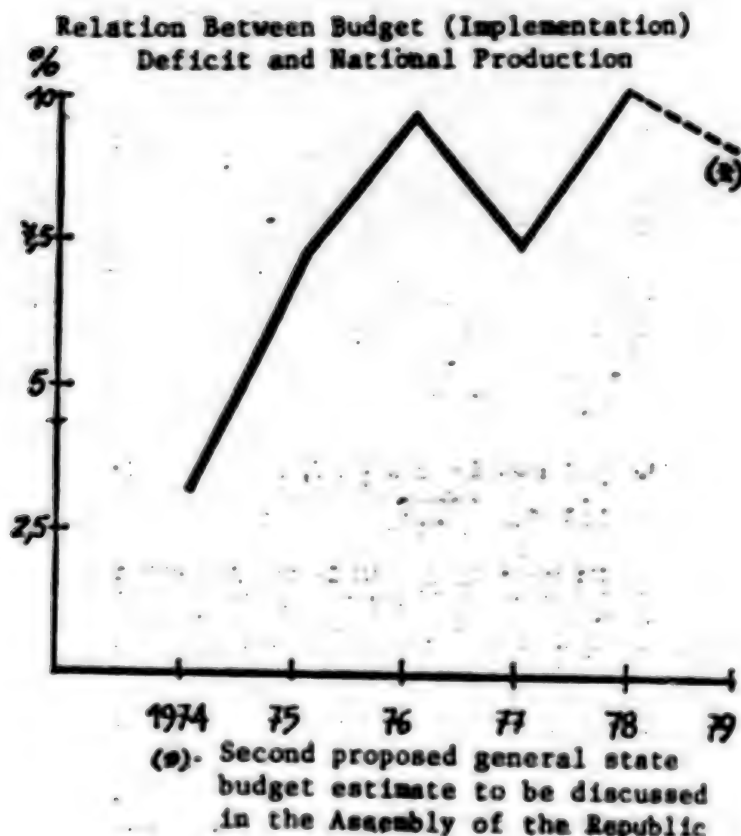
As proof of this increasing intervention by the state on the level of economic activity, the development of the relation between the budget deficit and national production, as shown on the graph, suffices--from about three percent in 1974 it had increased to more than 10 percent by 1978.

Obviously, such a situation resulted in a gradually increasing state indebtedness, such that the direct public debt increased by almost 500 percent between the end of 1973 and the end of 1978.

And as we mentioned before, an increase in the public debt greatly exceeding the increase in the economy cannot fail to cause concern, despite the supporting role played on a certain level of activity. It should be added that the IMF is very aware of the development of this entire situation.

What Then Can We Expect in 1979?

Following the rejection of the proposed general state budget by the Assembly of the Republic last March, the government made a second draft, which will shortly be taken up for discussion by this parliamentary body. While the first proposal, which was rejected, sought to obtain a balanced current budget, the deficit in the second proposal comes to about 19 million contos



(to which the increase in current expenditures resulting from the planned implementation of the Local Finance Law will have contributed significantly).

No substantial difference is to be seen in investment expenditures. In these terms, the overall deficit for which the second proposal provides comes to 91 million contos as compared to 78 million in the first proposal (see Table 1).

One aspect to be borne in mind is that recourse to foreign credit to finance such a deficit takes on much greater proportions in the second proposal--about 19 percent of the credit total to be obtained as compared to about 5 percent in the rejected proposal.

Table 1 also gives a picture of the distribution of income by categories, for the two budget proposals.

With an expenditure total which is only a little lower (-1.5 percent), a new proposal to be discussed is seen in the decline in the relative position of fiscal income, specifically direct taxes (29.3 percent as compared to 32.7 percent in the first proposal, which development is required by the implementation of the Local Finance Law).

**Table 1**  
**Budget Income and Recourse to Credit**  
**for Deficit Coverage**

Category	First Budget Proposal (Rejected)		Second Budget Proposal (Under Discussion)		Variation from Proposal 1	Comments
	(Millions of Contos)	% of Total Income	(Millions of Contos)	% of Total Income		
<b>① Current Income</b>						
Direct Taxes	63.1	32.7 %	55.6	29.3 %	- 12.0%	The most important changes in direct taxes in the second proposal reduce the amount of real estate, vehicle and extraordinary tax funds, with increases (not very large) in professional and capital taxes.
Indirect Taxes	82.7	43.0 %	80.1	41.4 %	- 3.0%	
Percentage of Public Enterprise Profits	14.2	7.4 %	14.2	7.3 %	0.0%	
Other	6.4	3.3 %	12.7	6.7 %	+ 8.8%	
<b>TOTAL</b>	<b>178.4</b>	<b>81.4 %</b>	<b>172.6</b>	<b>80.9 %</b>	<b>- 2.2+</b>	
<b>② Capital Income</b>						
Transfers	3.2	1.7 %	4.3	2.3 %	+ 34.4%	Decreases are seen in indirect taxes for customs, revenue stamps and the transaction tax.
Other	0.8	0.3 %	0.8	0.3 %	0.0%	
<b>TOTAL</b>	<b>3.8</b>	<b>2.0 %</b>	<b>4.9</b>	<b>2.3 %</b>	<b>+ 29.5%</b>	
<b>③ Various (Replacements and demand accounts)</b>						
	12.5	6.6 %	12.5	6.5 %	0.0%	In other current income categories, a notable increase is seen in public sector transfers.
<b>TOTAL INCOME</b>	<b>192.7</b>	<b>100.0 %</b>	<b>189.9</b>	<b>100.0 %</b>	<b>- 1.5%</b>	
<b>Recourse to Credit for Budget Deficit Coverage</b>						
Domestic Credit	74.7	95.3 %	72.4	75.5 %	- 3.0%	
Foreign Credit	9.7	4.7 %	18.6	20.5 %	+ 403.0%	
<b>TOTAL CREDIT-DEFICIT</b>	<b>78.4</b>	<b>100.0 %</b>	<b>91.0</b>	<b>100.0 %</b>	<b>+ 16.0%</b>	
<b>Total Income</b>						
<b>+ Credit</b>	<b>271.1</b>		<b>281.0</b>		<b>+ 3.7%</b>	

Table 2  
Budget Expenditures

Type of Expenditure	1st Budget Proposal (Rejected)		2nd Budget Proposal (Under Discussion)		Variation from 1st Proposal
	Millions of Contos	% of Total Expenditures	Millions of Contos	% of Total Expenditures	
General Public Administration Services	81.8	22.8%	72.0	23.5%	+ 16.5%
General Administration	(44.3)	(19.3)	(34.8)	(19.3)	(+ 23.7)
Foreign Affairs	( 2.8)	( 1.0)	( 2.8)	( 0.9)	( 0.0)
Public Security and Order	(12.0)	( 4.4)	(11.8)	( 4.1)	(- 7.0)
Other	( 2.8)	( 1.1)	( 2.1)	( 1.1)	( 0.0)
National Defense	20.0	5.5%	20.0	6.4%	- 1.2%
Education	21.8	11.7%	21.8	11.2%	- 0.6%
Health	22.4	12.0%	22.5	11.8%	+ 0.2%
Social Welfare	13.5	6.0%	13.0	4.9%	+ 2.0%
Housing	10.3	7.1%	10.3	6.9%	0.0%
Other Collective Social Services	1.0	0.3%	1.0	0.5%	0.0%
Economic Services	43.4	10.7%	43.2	10.0%	- 0.4%
General Administration and Research	( 0.2)	( 0.4)	( 0.2)	( 0.2)	(- 0.3)
Agriculture, Forestry and Fishing	(10.0)	( 4.8)	(10.0)	( 3.5)	(- 1.1)
Industries and Construction	( 3.3)	( 1.3)	( 3.3)	( 1.2)	( 0.0)
Electricity, Gas and Water	( 0.5)	( 0.2)	( 0.5)	( 0.2)	( 0.0)
Transportation and Communications	(10.2)	( 0.0)	(10.2)	( 0.0)	( 0.6)
Tourism	( 1.0)	( 0.7)	( 2.3)	( 0.8)	(+ 17.3)
Trade	( 2.0)	( 1.0)	( 2.7)	( 0.9)	(- 7.1)
Other	( 0.8)	( 0.2)	( 0.4)	( 0.1)	(- 20.0)
Public Debt Operations	35.0	12.2	35.0	12.7	0.0
Expenditures on Disasters and Catastrophes	2.0	1.1	2.1	1.1	+ 2.0
Various	0.1	0.0	0.1	0.0	0.0
<b>TOTAL EXPENDITURES</b>	<b>271.1</b>	<b>100.0</b>	<b>291.0</b>	<b>100.0</b>	<b>+ 2.7%</b>

In the public expenditures sector, Table 2 shows the functional distribution in each case: with an expenditure total of more than 3.7 percent, the second budget proposal shows no visible alterations in the relative positions of the various categories. Expenditures for general administration, education and health, apart from public debt operations, are the most important.

Finally, the situation with regard to the "fiscal burden" the population will have to bear in 1979 is shown, an increase (even in real terms) in comparison to last year. It suffices to note that the total direct taxes for which this second budget proposal for 1979 calls exceed the corresponding amount in the 1978 budget by 31 percent and 44 percent respectively, and the total with the public debt service (interest and amortization) is up 50 percent in comparison to last year.

As to indirect taxes, the new proposal to be discussed calls for an increase of 25 percent over the amount collected in 1978 (and only 10 percent in comparison to the initial estimate in the 1978 budget).

As we did in an earlier article in which we analyzed the major options in the economic plan, we will undertake in Table III, which we will publish next week, to systematize the main aspects dealt with (relative to fiscal measures and local finance) in the new budget proposal, with a comparison in terms of the contents of the rejected version.

The most substantial difference between the proposals has to do with the implementation of the Local Finance Law for which the latter specifically provides. Another notable difference is the decline in the "weight" of the extraordinary tax on income from labor for which the second proposal provides.

Generally speaking, as is natural, it is the similarities which stand out.

(It is understood that we are referring to the central administrative budget.)

#### Commercial Credit Expansion in 1978

During 1978, loans and current accounts guaranteed by Portuguese banks increased from 181 billion 700 million escudos to 238 billion 600 million, i.e. 31.3 percent, according to official figures.

The total volume of deposits in turn increased from 584 billion 800 million escudos to 735 billion 900 million (up 25.8 percent) in the same period.



The volume for the various types of deposits, moreover, is shown in the following table, in millions of escudos.

	31-12-1977	31-12-1978
<b>TOTAL</b>	<b>684 817</b>	<b>735 815</b>
Demand Deposits	285 405	314 415
Term Deposits	298 423	420 573
Prior Notice Deposits	999	927
<b>DEMAND DEPOSITS</b>	<b>285 405</b>	<b>314 415</b>
Bank of Portugal	64 391	70 995
Commercial Banks	152 529	188 007
General Deposits Fund	62 484	47 854
<b>TERM DEPOSITS</b>	<b>298 423</b>	<b>420 573</b>
Bank of Portugal	—	—
Commercial Banks	206 419	298 581
General Deposits Fund	64 549	88 507

The stock portfolio increased by 22.5 percent, i.e. from 177 billion 600 million escudos to 217 billion 600 million between the end of 1977 and the end of 1978. The following table gives more complete information, in millions of escudos.

	31-12-1977	31-12-1978
<b>TOTAL</b>	<b>332 124</b>	<b>408 891</b>
Bank of Portugal	97 173	78 148
Commercial Banks	231 254	321 738

The flow of deposits to commercial banks made considerable expansion in credit operations possible, despite the rediscounting limitations imposed by the Central Bank, which also established a requirement for the maintenance of higher minimal reserves, and also due to the financing of the commercial portfolio as such.

Thus, on the basis of a report from the Portuguese-German Chamber of Commerce and Industry, the role played by the commercial banks in the commercial portfolio of the Portuguese banking system as a whole increased from 20.0 percent (on 31 December 1977) to 80.3 percent (on 31 December 1978), while the part for which the Bank of Portugal accounted declined from about 20.0 percent (1977) to 19.0 percent (1978).

Again according to the same source, the foreign currency available in the entire Portuguese banking system increased by 58.9 percent from the end of 1977 to the end of the following year. The following table shows the key figures, in millions of escudos.

	31-12-1977	31-12-1978	
Foreign Money Available	53 675	85 303	+ 31 628
Foreign Money Owed	55 068	113 814	+ 58 746
BALANCE ①	(—) 41 393	(—) 28 511	— 12 879
Bank of Portugal			
Foreign Money Available	13 003	35 047	+ 22 044
Foreign Money Owed	80 152	79 040	+ 18 888
BALANCE ②	(—) 47 149	(—) 43 993	— 3 155
Commercial Banks			
Foreign Money Available	39 769	45 214	+ 5 445
Foreign Money Owed	30 520	22 280	— 8 240
BALANCE ③	(+) 9 249	(+) 22 934	+ 13 685

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## BRIEFS

**INCREASE IN TOURISM**--The volume of tourists arriving in Portugal showed an increase of 26.3 percent over last year in the period between January and April, according to figures supplied by the General Tourism Office. The majority of the foreigners were Spanish (566,091, up 37.8 percent from the first four months in 1978), followed by the British (93,201) and the West Germans (58,104). Also where foreigners accommodated in domestic hotels was concerned there was an increase of 2.9 percent. On the other hand, the number of Portuguese nationals accommodated showed a decrease, the total of 435,000 being down 10.7 percent from last January. In all, there was a decrease of 5.5 percent for domestic and foreign guests accommodated. [Text] [Lisbon EXPRESSO in Portuguese 23 Jun 79 p 17] 5157

**TEXTILE EXPORT DIFFICULTIES**--The United Kingdom adopted an adamant position at the meeting held in Brussels to allocate export quotas for Portuguese textiles consigned to the EEC countries. At that meeting, the United Kingdom set forth its position, placing serious restrictions on imports of Portuguese manufactured products, especially shirts, blouses and trousers. These decisions will pose problems for some of our textile units, and even the British importers are exerting pressure on the authorities in their country to obtain a change in these criteria. Apart from the British position, the EEC commission on this matter proved receptive to Portuguese intentions, and some of the current problems were even resolved. However, a further review of the current position was scheduled for October. [Text] [Lisbon EXPRESSO in Portuguese 23 Jun 79 p 17] 5157

**RECORD INFLATION**--In the course of the month of April, Portugal had the highest rate of inflation reported among the 24 countries belonging to the Organization for Economic Cooperation and Development (OECD), at 3.1 percent. Austria had the lowest index, with 0.1 percent, with the average rate of inflation for these countries in that month being 1.1 percent. Where the first four months of 1979 were concerned, the rate of inflation in Portugal reached 7.7 percent, second among the OECD, following the 9.1 percent reported for Greece. In this period, the average rate for the OECD countries was 3.7 percent and that for the EEC countries 3.5 percent. [Text] [Lisbon EXPRESSO in Portuguese 23 Jun 79 p 17] 5157

## CURRENT CRISIS IN SPANISH SOCIALIST WORKERS PARTY DISCUSSED

Madrid EL PAIS in Spanish 8 Jun 79 p 20

[Article by Pablo Castellano: "The Real and Apparent Contradictions"]

[Text] The author is a PSOE [Spanish Socialist Workers Party] deputy for Caseres, and has served as a member of the executive commission of that party (1971-1975). He also served as a member of the executive commission of the UGT [General Union of Workers] (1971-1976) and the federal committee of the PSOE (1976-1978). He has been a member of the PSOE and the UGT since 1966.

The press has logically stressed the accumulation of contradictions revealed at the 28th Congress of the PSOE within that organization. It is worth the trouble to examine some of them.

The fact that a large number of the delegates, unequivocally Marxist in inclination, have shown in turn an emotional dependence on the former first secretary general, Felipe Gonzalez, even when he revealed a tactical desire to refuse a renewal of responsibility in party leadership has drawn attention as the most spectacular of these contradictions.

The contradiction does not lie in the number of such delegates, who when all is said and done acted consistently, if it is borne in mind that since 1970, when Felipe Gonzalez took party executive office, his assertions of radical Marxism were precisely what distinguished him most clearly in the eyes of the membership then from the positions supported by Enrique Mugica, and even by Luis Gomez Llorente himself, who in that era was devoting himself intensively to his work as an historian.

Let us add to this that it was precisely the Gonzalez-Guerra line which, in the editorials in EL SOCIALISTA, for which he was responsible at that time, went so far as to defend the most radical position of Largo Caballero in 1934, and urging withdrawal from the Second International, clashing with the exile basically because of the inclination of the Llopist leadership of that era toward the interclass pact, and its viscerally anticommunist stand.

Given this attitude, Felipe Gonzalez had not the slightest hesitation in assuming the post of secretary general from 1974 to 1976, as an expression of the most authentic and refined Marxism, with no hesitation of any kind. There is not ~~not~~ has there been anyone or anything more leftist than he, as we have been told!

#### A Change On His Part

The seeming contradiction in the position of the delegates must be sought in the surprising swing on the part of Felipe Gonzalez and his team which occurred in the years between 1975 and 1979, in which, in the words of an outstanding UGT personality, they lapsed into the most specific "Guy Mollet" type of behavior, or what comes to the same thing, verbal radicalism, with a profound interclass and rightist political practice, and a hierarchic internal organic behavior, with the purging of undesirables, the personality cult and nepotism rearing their heads.

The delegates to the congress retained a picture of the Felipe Gonzalez of the 1970-1975 period, in no way consistent with the Felipe Gonzalez of today, and it is here that this profound contradiction, now revealed, lies.

It is equally contradictory to accuse those who maintain the traditional line of the PSOE of dogmatism and paleo-Marxism, while sinking into another form of dogmatism, asserting that it is Marxism precisely which is obsolete and out of date today, and the even more serious position of dogmatism condemning all who do not think like these rejuvenated revisionists, going so insultingly far as to brand them demagogues and cryptocommunists, while having frequently served with them on the executive team. Is that they were at that time too?

#### Opinion Trends

If these contradictions were few, the apex of inconsistency was reached at the 28th Congress with the refusal of the majority of the delegates to give statutory recognition to the trends of opinion, regulating their interplay and development but nonetheless accepting the indisputable fact that these trends exist, and that it is Felipe Gonzalez precisely who is the guiding head of one, that which is most stable because of its influence in the selection of its members in the parliamentary group, the municipal group, and the party cadres and employees, and as the bourgeois press has demonstrated recently with the support of reform and all its institutions.

A new inconsistency, much more than a contradiction, was revealed at the recent socialist assembly when, speaking of freedom, democracy, party unity and the need for synthesis, the Guerra-Gonzalez team acted in such a way as to bring about the paralysis of the organization, making it impossible to achieve any kind of agreement or cooperation among the various trends. This clearly revealed the categorical rejection of the resolutions approved by the majority and, above all, the sad reality of a concept of the party as a heritage and its organization such as to create the paradox of irreplaceable leadership, according to the old reactionary formula "I am the party" or "after me, the deluge."



## The Power of the Leader

It was precisely this threat that the organization would come apart, that there would be internal and external boycotts and an avalanche of desertions if the leader were to vanish which made any leadership solution impossible, and this is the most serious contradiction to be found in the Spanish Socialist Workers Party today.

And this is the point for reflection on which the members should meditate most seriously. If the old party of the socialists can depend in such a way on the will of one man, the fact is that the delegate who in criticizing the administration of the executive commission went so far as to say that the PSOE has become the party of Felipe Gonzalez is right, and this single consideration describes the whole line of conduct.

It is a matter of serious discussion of the concept of the party each of us has. A federal party, a class party, a democratic party, making all members and trends equally responsible, or a party based on bureaucracy, the personality cults, with a charismatic leader whose name is intoned as if he were a deity at every meeting.

Because at worst, are we not agreed on the model of the party, on what kind of Marxism?

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## WRAP-UP DEFINES ETA GOALS, METHODS

Paris LE FIGARO MAGAZINE in French 1 Jun 79 pp 58-61

[Article by Albert Zarca: "Basque Country: Terrorists Without A Border"]

[Text] The ETA [Basque Fatherland and Liberty Group] has decided to take the war to Spanish territory where its activities have already left dozens of victims. The Basque terrorist movement is organized on the model of the Algerian "wilayat" [districts]. The Basque commandos are trained and take refuge in France, under the nose of French policemen.

In Bayonne, Biarritz, St Jean-de-Luz, and even in the smallest village of the coast or the mountain region [French], gendarmes, policemen, informers of the RG [General Intelligence Office] and the DST [Directorate of Territorial Surveillance--France] have received instructions to intensify their investigations and to communicate right away the slightest information concerning the Basque terrorists. The SDECE [Foreign Intelligence and Counterintelligence Service--France] now takes a very keen interest in the situation and handles with very special care the most minute details involving relations among foreign terrorist organizations.

The Moncloa Palace in Madrid, the office of the Spanish prime minister on the outskirts of the capital, is literally in a state of siege since the assassination last week of a Spanish general and two senior officers. Observation posts mark its perimeter and in them military personnel in battle dress maintain a vigilant watch, their fingers on the triggers of their submachine guns. Before reaching the offices, a visitor has to go through several checkpoints and even an unsealed letter in an envelope is subjected to an explosives detector. In the city itself the offices of the various ministries are also protected and it is wise not to loiter in their vicinity unless one has a good reason to be there.

"We are moving toward an Algerianization of this region," Xavier Santin, secretary general at the Spanish Ministry of Interior conceded, "and this will end up becoming a catastrophe if measures are not taken very soon."

"The terrorists seek the Ulsterization of the Basque country and if Paris and Madrid do not put an end to it, the future will be rather bleak," a senior official of the French police in the Basque country acknowledged. "Violence will sweep away all our efforts to stem the terror."

"We shall take the war to French territory," Father Larzabal threatened, "if one hair of ETA members is harmed. In that case there will not be a border any more--there are none already? --and French as well as Spanish Basques will join in the same war of liberation." Father Larzabal, the parish priest of Socoa, a small village colored and lit by the sun which dominates St. Jean-de-Luz, has the reputation of being at the same time the spokesman of the ETA, the confessor of its members, the one who has always helped them in their difficulties, and the hidden adviser of some of their chiefs.

"These are not novices," Jacques Chaban-Delmas commented simply after learning of the abduction plans aimed at him and checking in the field the security measures taken. There have been 250 attempts in some 15 months and they have caused hundreds of injuries and 160 deaths, practically an assassination every 2 days, the equivalent of 80 to 100 million French francs collected under threat each year, and now 20 to 95 percent of the economy of the Spanish basque country is under the ETA's control. Indeed, the latter is far from being a boy scout organization.

Yet, when it was formed in 1960 the ETA--Euzkadi Ta Askatasuna--had generated much sympathy at the time. "People only saw in it a kind of opposition movement to the excesses of the Franco regime," a personality of St. Jean-de-Luz conceded. "And the evenings that we used to spend in the company of those people, eating grilled lamb out of doors, were far from allowing us to guess that we would reach this point today."

Too, political as well as intellectual or religious personalities have for years given their support to these outcasts of Francoism. People even went on hunger strikes in sympathy with them, occupied churches in their company, nearly became their accomplices in helping them recuperate old "Sten" guns, those British submachine guns which the French resistance movement had used and which had been placed in secure arms caches at the time of France's Liberation.

In 1974 the ETA changed its setup. A split in the ETA gave rise to two separate organizations--the political-military ETA, more legalistic if this term can be applied to a terrorist organization; and the military ETA, which considers itself a liberation army fighting in territory occupied by the enemy.

Ten years ago, even 5 years ago, it was enough to enter one of the bars on the Rue Pannecau in Bayonne, on the Rue de la Republique in St Jean-de-Luz, or on the Calle de los Reyes in San Sebastian and ask to get in touch with the ETA in order to have one's wish carried out immediately. Today when

an unknown face opens the door of one of these bars the chatter dies down, the faces go blank and at times the client is "shadowed" if he appears suspect. On the borders of the Adour River in Bayonne members of the ETA occasionally lie in wait so as to photograph with a telephoto lens the possible visitors of the General Intelligence Office. The psychosis is such that the tenant of the apartment building where they are ensconced charged one of their leaders with having a strange "static" in his telephone line since their arrival because his phone was being tapped.

### Like a Fish in Water

Organized on the model of the Algerian "wilayat" [districts] before its independence but motivated by the ideology and action principles of the Tupamaros and Montoneros of Latin America, the military ETA has only 450 to 500 members at the most. Its leadership is collegial and all decisions are made unanimously by its eight members though in reality three of these have a preponderant influence. Aya Zulaica, a personality shrouded in mystery; Itrube Abassolo, known as "Txomin," an explosives maniac who inspires the most acute fear even among his own friends; and Achalandabasso, who was still recently in charge of the recruitment organs and of providing cadres for the ETA command fighters who went to train in Algeria. Three weeks ago "Txomin" was the victim of an antiterrorist attack in Biarritz, but, even though seriously wounded, he managed to escape the French police thanks to the many networks and great support enjoyed by the ETA in the French as well as Spanish Basque country.

"This support causes a lot of concern," the French police chief admitted, "for while we know most of the ETA chiefs and while we have managed to keep records on most of its members, we have the greatest difficulty in tracing the channels to their origin. The ETA moves like a fish in water or nearly so. Among those helping it, especially young people, there are some unemployed, some embittered workers, agitated by propaganda, the sons of rich men in quest of an ideal and adventure, and ecologists who confuse defense of nature with the destruction of society.

"A few months ago the Spanish police arrested on the Costa Brava a young man who was transporting ETA documents. The latter was also carrying two photographs about which the records in Madrid drew a blank. These pictures were transmitted to us and we did not have any problem discovering whom they represented: Two of our colleagues. As for the boy, he was the son of a municipal councilor of Hendaye [France]."

One does not join the ETA as a member merely when one wishes and one does not make an application to join. Recruitment is very different and in the mind of its leaders it meets very strict security requirements.

First, to have any hope of joining the ETA one day the aspirant has to speak Basque fluently and to have been a Basque for several generations. Because they overlooked this essential condition, the Spanish police and

secret police have lost several agents these past few years. One day Madrid decided to send an authentic Basque activist held in Spain in the company of a police inspector. In exchange for his freedom the former accepted the assignment of pointing out to his companion-jailer the activists whom he knew in the Basque country. In less than an hour a telephone query was made from French Basque territory and the inspector in question owed his life only to particularly rapid reflexes and a mad flight to France.

#### Permanent Partitioning

When someone is identified by the ETA on account of his sympathy for the Basque cause he is not for all that welcomed with open arms or even solicited. For months he is placed under surveillance, his contacts are watched, and at times unknown to him he is put to the test. When the collegial executive considers him to be sufficiently secure, auxiliary missions are entrusted to him. If he truns them down things go no farther. If he accepts them his initiation is pushed ahead. Finally, he becomes "liberado" (liberated): He is an activist of the ETA. But he will practically never get to know his chiefs or all his comrades.

Isolation during operations is also constant. ETA commando groups are made up of three members each. If the operation calls for several groups or the involvement of some chiefs, the latter know their men but these will discover neither the identity of their comrades nor that of their leaders. At the most the members of the commando groups will know their leaders under Basque nicknames which generally never refer to the same individual.

When in December 1973 the ETA implemented its plan to assassinate Admiral Carrero Blanco, the right-hand man of General Franco, it arranged for a ditch to be dug under the avenue which Prime Minister Carrero Blanco used to take to go to mass at the same time every day. The men who dug this trench and placed the enormous explosive charge which tore the automobile and its passengers into smithereens had been disguised as telephone employees. The separation was so meticulous that the three groups which were involved never got to recognize each other mutually. And yet, preparations for the attack had taken several days, it seems.

The ETA's funds are immense. They represent the equivalent of several hundred million French francs with an income of between 80 and 100 million francs a year in the past 2 years. But while a few years ago one of the ETA's leaders, Mujica-Arregui Igancio, was living it up in St Jean-de-Luz, driving an American car and surrounded by a bevy of pretty girls, all of this has disappeared today. The ETA leaders lead hermits' lives. Gone are the luxury automobiles. Their homes are more modest and their clothes are as simple as can be.

#### Mandatory Revolutionary Tax



But when an operation demands it the ETA knows how to put on the dog. In May 1974 it was decided to abduct Juan Carlos on his arrival with his yacht on the Cote d'Azur. The ETA rented a luxurious and rapid yacht for several weeks and the commando group led an existence of South American multimillionaires which fooled everyone completely. Additionally, the location of the villa where the [present] King, at that time heir-apparent, was to be sequestered was paid for several months in advance. The plot failed only because one of the members of the commando group, learning that Juan Carlos would be assassinated, broke ranks with his comrades and revealed the plot to the French police. He was incidentally assassinated after that.

In order to secure these enormous funds enabling it to buy weapons, equipment, and accomplices, the ETA has resorted to a revolutionary tax since Franco's death. Thanks to its numerous grapevines the ETA knows to the nearest penny the bank transactions of those people on whom it decides to levy such a tax. With this information and thanks to the terror that the ETA inspire the rest is easy. The "taxpayer" receives a letter. It contains a profession of faith and the reasons for the tax levy. A one-month deadline is also set as well as the amount of the levy, generally from 50,000 to 100,000 French francs. Three weeks later the party involved receives a reminder, indicating the place of the appointment--generally a coffee house or a supermarket--as well as the mode of payment, usually small denomination bills in Spanish pesetas or foreign currencies but whose serial numbers must not be consecutive. The letter also mentions the way in which the "taxpayer" will recognize the collector. For a while carrying the magazine LUI was in fashion as a means of identification. Since then the signal has changed often but the collector always carries with him the original of the letter whose copy had been sent to the interested party.

To refuse to comply is to sign one's death warrant unless one escapes very far or unless one manages to reach an "accommodation." Two years ago, a small entrepreneur in Irun, who had been levied 300,000 French francs, went to the police in Bayonne. A trap was set and the collector, the son of a Bilbao physician who lived as a refugee in France and who was known by his alias of Otxia, was arrested and imprisoned. Last year the entrepreneur was assassinated and his fate is mentioned as an example in the new tax-collecting letters. Its effect has been such that Spanish officials and doctors or lawyers have been leaving the Basque country and there are few who want to settle there. Furthermore, the gambling casino of Biarritz, which used to gross an impressive amount up to the last few years, saw the latter literally tumble in 1978, and 1979 does not promise to be any better for it or for the casino in San Sebastian: The Spaniards are afraid to have themselves spotted by going to play there. Recent security measures, however, make it possible to redress this situation, officials believe.

Until last year the ETA commando groups were trained at the Souma police school near Algiers as well as in Yugoslavia, Libya, and even in Cuba. For

the past 2 months Algeria has clearly halted its assistance following political agreements between Madrid and Algiers in connection with the Polisario Front. But there remain the other countries... and France.

French territory serves--this is correct and recognized--as refuge and at times even training ground for the ETA. Theoretical courses on terrorism are offered notably in apartments in Bayonne and Biarritz. Practical drills are carried out on the beach or even on isolated farms. The French police are aware of it but they would need three times as many men to put a stop to it. "We know all the ETA leaders," one of the officials in the field told me. "But don't kid yourself. They are shrewd. They never run a red light, their papers are always in order, and they pay their taxes down to the last penny. Accordingly, specific circumstances are necessary to collar them and throw the book at them. Otherwise, it is no use."

"With Nothing More Than Autonomy We Would be Bored"

So will the Basque country become another Northern Ireland? "Let us give them their independence," some Spanish business circles advocate. "We shall then see what they do with it." "Impossible," retort the military and some organizations which have engineered antiterrorists attacks, through the intermediary of bums if necessary. The King and his government prefer to grant autonomy to the Basque country. That has even been decided and the plan is not being examined by committees of the Cortes, the Spanish parliament.

"If we have autonomy while waiting for independence," Father Larzabal asserted, "everything would stop in 8 days. But between you and me, with nothing else but this autonomy we would be bored."

Antonio de Oyarzabal, the civilian governor of San Sebastian, a young, thinking, and optimistic official, on his part considers that the only chance of the Spanish Basques flows from the result of the latest elections. "The PNV [Basque Nationalist Party] won the mayoralties of Bilbao and San Sebastian and the majority of votes. The PNV alone will be able to defend the interests, some of them legitimate, of the Basques. I am confident."

In the meantime in the French Basque country, caught between two fires and which is far from being as extremist on the whole, an attempt is being made to limit the damage.

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## GC RECEIVE ARMORED VEHICLES, NEW TACTICS

Madrid YA in Spanish 10 Jun 79 p 19

[Text] The Ministry of the Interior will add substantially to the capacity of the rural Civil Guard units particularly for the purpose of preventive action against any possible escalation of terrorism which might affect the rural sectors, reliable sources have informed Europa Press.

Ministry officials are not currently ignoring the possibility that terrorism, to date limited regionally to the Basque sector and the large cities (such as Madrid, Barcelona, Seville and Valencia) might in the future take on a rural aspect, to which end plans would need to be made for preventive and responsive police action.

The police authorities believe that the specialized antiterrorist groups will be very effective in the future, such that where the rural sector is concerned, considerable attention is being devoted to the Rural Antiterrorist Units (UAR) established within a Civil Guard, similar to the GEO in the national police force.

The UAR will be equipped by the ministry in order to be capable of a rapid response to any possible terrorist activity in the rural sector.

## Patrol Coordination

The police authorities intend to equip the Civil Guard with adequate technical and communications equipment, including the Operative Service Centers (COS), not yet fully completed.

Within the steps already taken in connection with terrorism and public order, the utilization of some armored vehicles by the national police and the Civil Guard is being speeded up.

These vehicles will be equipped for action both in urban and rural zones, with very complete equipment as to facilities for use in their action.

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## INCREASE REPORTED IN TRADE WITH SOVIETS

Madrid EL PAIS in Spanish 14 Jun 79 p 56

[Text] Moscow (EFE)--Trade exchange between Spain and the Soviet Union doubled during the first quarter of 1979 in comparison to the comparable quarter last year, according to the TASS agency.

Bilateral trade came to 65.5 million rubles (some 7 billion pesetas) during the first three months of this year, as compared to 33.7 million rubles (about 3 billion 500 million pesetas) during the earlier period.

Figures published by the Soviet Ministry of Foreign Trade indicate that 27.9 million rubles of this total were accounted for by Spanish imports (something more than double the figure for the first quarter of 1978), and 37.6 million rubles (as compared to 24.3 for the earlier period) represented Soviet imports.

Despite this considerable increase in trade between Spain and the Soviet Union, Spain ranks very low among the European countries trading with the USSR. Spain surpasses only Greece, Luxemburg, Norway and Portugal in its trade volume with the USSR. Other European countries with economic and industrial characteristics similar to those of Spain, on the other hand, have much higher figures for trade exchange with Moscow.

The FRG, the leading European partner of the USSR, reached a total of 887.4 million rubles during the first quarter of 1979, followed by France, with 505.9 million, Italy with 423.3 million and Great Britain with 375.6 million rubles.

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CSO: 3110

## UNEMPLOYMENT CONTINUES TO WORSEN

Madrid EL PAIS in Spanish 8 Jun 79 p 55

[Text] The number of unemployed persons for the first quarter of this year, according to National Statistics Institute estimates based on a survey of the active population, was 1,139,700. This figure shows that unemployment increased in this quarter by 56,400 persons. A decrease of 44,600 persons in the active population was also seen in this period. These figures confirm the trend toward gradual decrease in employment in our country which has remained unchanged since 1973.

The statistical figures were established on the basis of the ILO [International Labor Organization] norms for unemployment estimates. These figures can be compared with those provided by the Ministry of Labor on the basis of unemployment records at the job offices, which are regarded as official data, although those responsible for the economic policy believe that the statistics institute figures have been more accurate in recent years.

The figures for the first quarter of this year on unemployment represent yet another bucket of cold water where the government estimates on the development of the economy are concerned. The rate at which unemployment is increasing is more rapid than was estimated, and the government goal of keeping the situation at the same level as the end of last year seems impossible to achieve.

The appended graphs show the negative development of the active population in the course of the past six years. Currently the figure for the population regarded as active, that is to say which is employed or looking for work, is slightly higher than the 1970 figure but lower than that for all subsequent years. The figure for the active population, 35.5 percent of the population total for the country, is the lowest in recent decades and lower than that for the majority of the developed countries. Thus we are very close to a situation in which only one out of three Spaniards is "available" for work. In fact, if we examine the figure for employed persons, we are now at a level below this one out of three situation. Other developed countries in Europe have active population rates (those employed and the unemployed seeking



work) in excess of 40 percent, and in the case of all of the countries in the communist area, this rate is vastly exceeded.

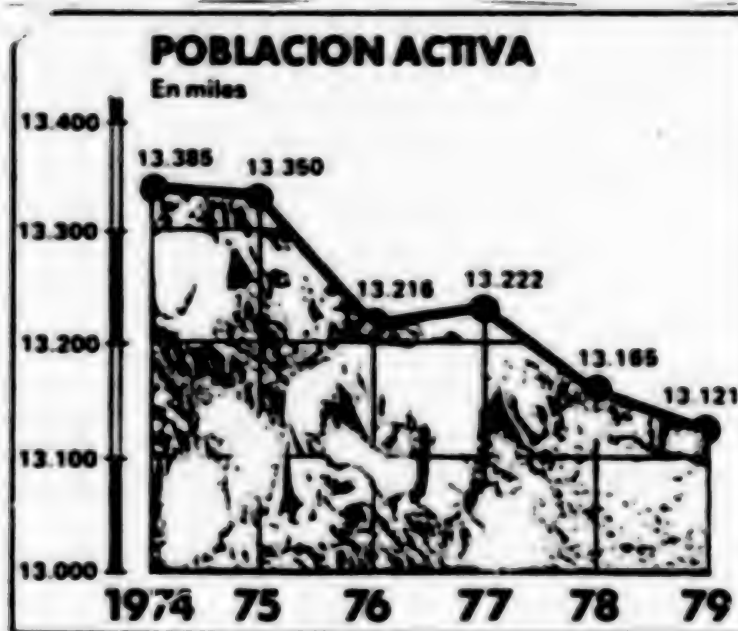
The unemployment rate has now reached the 8.69 percent level and will likely exceed 9 percent this year. These rates were regarded as impossible just a few years ago and were believed to represent the limit of social tolerance prior to a crisis in the system. This unemployment rate is the highest among the EEC countries.

The prospects for development in the next few months are not too encouraging. The creation of job opportunities by the private sector does not seem a likely trend in the coming months and the capacity of the public sector in this realm does not seem likely to produce results either.

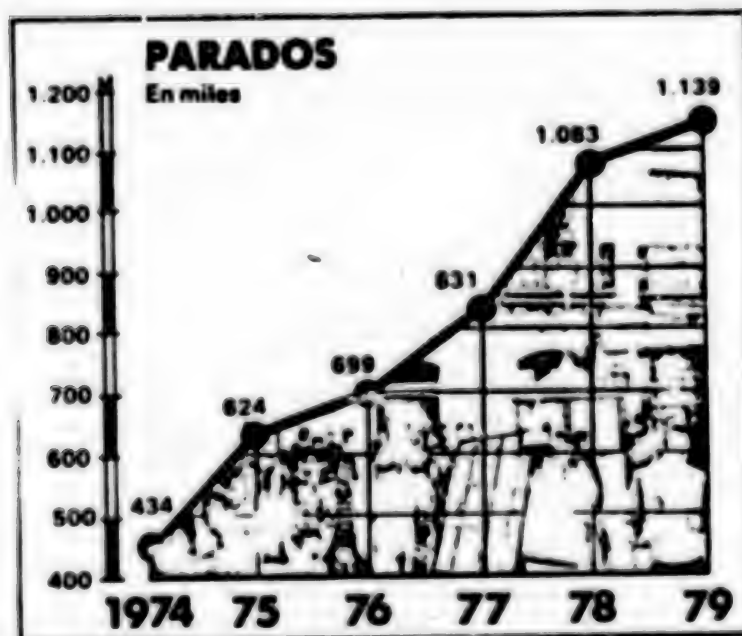
The increase in unemployment has developed in all sectors of activity, except agriculture, and the number of individuals seeking their first job remains stable. This stability was logical for the first quarter of the year, since there were no school or university graduations. In agriculture, a decrease in unemployment was the result of the tuna season in the south, reducing the number of unemployed in comparison to the preceding quarter. However, in comparison to the comparable quarter last year, the number of unemployed in the farm sector was up 10,000.

#### Active and Unemployed Population in 1978 and 1979

	First Quarter 1978	Fourth Quarter 1978	First Quarter 1979
Active population	13,234,000	13,165,600	13,121,000
Employed population	12,120,600	11,970,700	11,851,900
Marginal active population	186,600	110,600	129,500
Unemployed	927,500	1,083,300	1,139,700
Agriculture	86,700	101,600	91,400
Industry	138,400	167,300	188,300
Construction	191,300	202,300	231,000
Services	158,400	194,200	211,500
Other	352,700	417,900	417,300



Active Population in Thousands of Persons



Unemployed in Thousands of Persons

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## ENERGY CONCERNS DISCUSSED, OPTIONS NOTED

## Nuclear Energy Necessary

Barcelona LA VANGUARDIA in Spanish 12 Jun 79 p 16

[Interview with Don Luis Magana, commissioner general for energy, by Mary Merida]

[Text] As our readers already know, these recent days have brought a series of antinuclear demonstrations throughout the country as a result of an appeal made on a world level by all the ecology movements in almost all countries. This problem, which had already existed as such for some time, has now led to more intense reactions because of the accident which occurred at the Harrisburg nuclear plant in the United States. The government submitted a national energy plan to the parliament a number of months ago including above all proposed energy policy guidelines. The debate on this plan will begin next Tuesday in the Industry and Energy Commission of the Congress.

The majority of the parliamentary groups in the Congress of Deputies accept the necessity for nuclear energy to contribute to supplies to the extent strictly necessary to make up the difference between supply and demand, supply meaning what other energy sources can provide.

The Commissioner General for Energy, Don Luis Magana, said in this regard: "We will carry out the resolutions obtaining majority approval in the parliament strictly, but from the personal point of view, it is my opinion that nuclear energy is necessary and will be for a number of years."

## Calm Approach

[Question] But if the people complain collectively, this means that the subject of nuclear energy is entirely unpopular. How does the state plan to overcome this resistance and carry its energy plan forward? And who is really right, the state and the administration or the people, who refuse to accept it?

[Answer] Well, this is really a very controversial topic, but I believe that what needs to be done is to view the problem with complete calm. Any constructive suggestion which contributes to improving the safety of nuclear plants is acceptable, but what cannot be done is to consider that we have a most important source of energy--oil--in a critical situation, while on top of that we reject nuclear energy.

[Question] But will there not be an effort to replace oil as a basic element by nuclear energy?

[Answer] No, what is happening is that oil is the source of problems and will continue to be for many years and more. The most recent studies made indicate that on the world level there has been a moderate increase in the economies of the OECD [Organization for Economic Cooperation and Development] countries. This growth, assessed at 3.4 percent, is very modest. This study leads to the following conclusions: first, that the coal consumption between now and the year 2000 will double on the world level; that the production and consumption of natural gas will double; and that nuclear energy consumption will be multiplied by 12. Given these three conclusions, and assuming that we can increase the exploitation of all known oil deposits to the maximal limit, we would need, from the present to 1985, 150 million tons of crude oil per year, with a shortage beginning now. In 1990, the deficit would be 500 million tons a year. This is the picture the conclusions of the International Energy Agency provide.

#### Energy Policy Measures

[Question] And on the basis of these conclusions, what line of action do the countries belonging to this international energy body intend to pursue?

[Answer] A series of actions in the realm of energy policy have been agreed upon on the policy level. They are: 1. The government's promise to put vigorous energy saving programs into operation; 2. to promote the use of coal, the barriers which may hinder international trade in this product will be eliminated; 3. no new cuts will be made in the nuclear programs and, finally [line or lines missing from original of text here] sufficient to speed up the research programs.

[Question] Does economic development bring with it greater energy consumption?

[Answer] Yes, and this is a fact beyond question. One can debate in a consumer society, as is the case in the United States, what energy consumption is suited to this level of well-being. There is room for doubt that to achieve a more homogenous society on the level of well-being it is necessary to consume these vast quantities of energy, but apart from these examples, in countries in a developmental situation such as ours, with a regional imbalance such as ours, it seems beyond question that the greater part of the population, to achieve a higher standard of living, must inevitably consume more energy. In brief, without going so far as excessive developmentalism, our country will have to move closer in terms of economic development and energy consumption to the EEC countries.

## Using All Sources

[Question] Will all these arguments force us inevitably to use nuclear energy?

[Answer] Our country is not in a position to allow stagnation and in this situation, and given the oil market, it is only by using all available sources of energy that we can seek to achieve these goals, and in this sense, nuclear energy is one more source.

[Question] But do the risks of nuclear energy seem high, or is this an erroneous belief?

[Answer] Nuclear energy, like any type of energy and industrial activity and even our daily activities, is not free of risk, and the more the risks are known, paradoxically, the more they are feared. We must look a little more carefully at the coal statistics, and here we see that the reality is that in no commercial plant in the world has any accident causing death occurred. And there is no other industrial sector which can claim such a result.

[Question] What is your immediate concern, Mr Hagana, as commissioner general for energy?

[Answer] To guarantee the oil production supply, in view of the very difficult crude oil and oil products market. Another sector involving neither oil nor nuclear energy is coal, where in order to achieve the goals we have set for ourselves in this sector we must establish mechanisms to support production such as are already in effect in some other EEC countries.

## Solar Energy

[Question] What type of support is being provided?

[Answer] Support for production, subsidies for coal transportation and financial measures with regard to temporary production surpluses. The research programs on solar energy are being intensified and also, supplementarily, utilization of residues and geothermic energy. And the Energy Study Center, which is the state body entrusted with promoting the use of these techniques, there are numerous projects for the demonstration of solar energy for household purposes, and also industrial uses, and the generation of electrical energy using the sun as the source. And I have just now received a letter from the mayor of Barcelona, Mr Serra, in answer to a proposal we had submitted concerning the building of demonstration installations in the public buildings of that city. In addition, the ENHER [Ribagorza National Hydroelectric Enterprise] has an INI [National Institute of Industry] program for locating geothermic sources of energy in some areas in Valles.



[Question] To summarize, Mr Hagana, the fact is it is necessary to use nuclear energy, despite the fact that this is not very popular, is that not the case?

[Answer] Yes, this is what must be done.

### Less Energy

Madrid YA in Spanish 13 Jun 79 p 26

[Text] "The Spaniards will have to deal with a colder winter than usual this year," Minister of Industry and Energy Carlos Bustelo said at a meeting with members of the Economic News Journalists' group (APIE). Mr Bustelo made this statement while explaining the difficult energy situation in which our country finds itself and the resulting need to take drastic energy saving measures next autumn, as other countries have done. Among such measures he mentioned those designed to limit the use of domestic heating as definite, while he excluded any effort to limit traffic in the large cities on the basis of vehicle licenses, which he termed "absurd." Mr Bustelo justified this term by saying that it is absolutely impossible for workers whose jobs are far from their homes to do without automotive transportation.

Although he did not conceal his concern about the energy situation both where supply and the rising cost of oil are concerned, the minister of industry indicated that the seriousness of the first of these aspects currently has been substantially alleviated in comparison to recent weeks. On the second point he seemed relatively optimistic, expressing the view that for the time being he does not believe that prices per barrel will increase much above the prices in effect today on the international market, which have reached the level of \$35 per barrel. He assessed as positive the recent agreements reached with some Arab countries on crude oil supply such as to guarantee us combined stocks of crude oil and oil products of about 11.5 million tons until the end of the year. He made it clear, however, that Spain still needs to purchase crude oil in the amount of about 4.5 million tons.

Other general subjects discussed at the meeting with Mr Bustelo were the following:

There is a conviction that Ford will expand its Almusafes factory. This subject is under study and therefore the conditions have not yet been specified.

The minister of industry fails to understand the criticisms of his address made by the metallurgical enterprise owners at the Unesid meeting. "They wanted a speech in the Franco style, ie, a typical address in which many things are promised," Mr Bustelo said. "I do not understand how a sector

which has not exactly been characterized by great genius in the past can be surprised by my statement to the meeting that we all have much to learn."

The INI will have to cease to include within it entirely uneconomical private businesses. Public enterprise employees must realize that they are not privileged individuals. The dream of many employees is to work for the INI because they know that this employer, always covered by the state budget, will not suspend wages. The public enterprise, moreover, has a sizeable and valuable body of personnel which must be encouraged rather than demoralized. Many executives have the impression that nothing is being done or that what is being done is bad, because the businesses they head produce absolutely negative results year after year not due to them but to numerous factors, one of which is low productivity.

Things are not going so badly in the Spanish economy as many would make it seem. There is a clear index of reactivation--the increase in electrical energy consumption. Only businessmen in difficulties call and come to the ministry offices, never those who year after year show improved operational accounts in their enterprises.

After the heavy tourist season months, the peseta will return again to a reasonable level.

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CSO: 3110

## BRIEFS

NATURAL GAS--The ENIEPSA has completed a new production test at the "Gaca 1" natural gas deposit located in Sabinanigo, Huesca, with highly positive results, since the volume of gas obtained exceeded that in the earlier test made, which came to some hundred thousand cubic meters, Petroleo reports. This test was made at a depth of between 3,500 and 3,600 meters, making it possible to establish that the structure has greater permeability and porosity the deeper the level of drilling. [Text] [Madrid YA in Spanish 5 Jun 79 p 27] 5157

CSO: 3110

## FURTHER REPORTING OF 'SPECIAL COMMANDO UNIT'

Istanbul AKSAM in Turkish 30 May 79 pp 1,7

[Text] Ankara (Turkish News Agency): A security organization which will give no respite to terrorists has been established, and this organization, announced to have been in training for years, presented its first exhibition yesterday for Prime Minister Bulent Ecevit and the Chief of the General Staff, as well as for commanders of the armed forces and ministers of the government.

Major-General Ragip Cengizoglu, Brigade Commander for Gendarme Training, speaking at the maneuvers conducted at the Guvercinlik Gendarme Commando Regiment Headquarters, said that the special commando unit is stronger than the German team which carried out the Mogadiscio raid. The gendarme special commando unit first performed a demonstration both with and without rifles at the maneuvers, which were held before Prime Minister Bulent Ecevit, Chief of the General Staff General Kenan Evren, armed forces commanders, Assistant Prime Minister Fehmi Gunes, Minister of State Salih Yildiz, Minister of National Defense Neset Akmandor, Minister of Transport and Communications Gunes Ongut, former Minister of Internal Affairs Irfan Ozaydinli, and members of the press. The dispersal of a meeting which exceeded the bounds of legality followed an exposition of the unit's establishment and its complement of weapons.

## Ecevit's Tears

Later, the special commando squad threw themselves out of vehicles travelling at 40 kilometers per hour and then, going underneath vehicles travelling at the same speed, attached bombs to the vehicles. During the exhibition, which was carried out in an environment of exploding smoke bombs and tear-gas canisters, it was noticed that Prime Minister Ecevit was unable to hold back tears.

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## SECURITY FORCES CONTINUE CRACK DOWN ON MLSPU

Istanbul CUMHURİYET in Turkish 6 Jun 79 p 6

[Text] Istanbul News Service: In a statement released by the Second Division Directorate of the Istanbul Police Department, it has been announced that twelve persons, allegedly members of the Marxist-Leninist Armed Propaganda Union and responsible for 14 armed incidents, have been apprehended. In addition, it was announced that 12 revolvers, 2 "Scorpion" automatic pistols, and large quantities of bombs and ammunition were seized in searches of the suspects and their residences.

According to the statement of the Istanbul Police Department's Second Division Directorate, the identities of Omer Cimeken, Mehmet Zeki Yumurtaci, Hulusi Koprulu, Isik Erguden, and Tamer Tabak, all of whom are reportedly MLSPU members, were first determined, and then Isik Erguden was apprehended in an operation. Raids were carried out on residences revealed to be used by MLSPU elements located in Kadikoy, Laleli, Karagumruk, Kucukcekmece, Goztepe, and Kurtulus, and the following individuals were captured: Hulusi Koprulu, Betul Usnet, Enis Aydogdu, Isik Erguden, Tamer Tabak (dead), Omer Cimeken (dead), Ozer Kazak, Ahmet Yaziharman, Yasar Ozkan, Mehmet Faruk Aydin, Mehmet Zeki Yumurtaci, and Necdet Aydin. It was included in the Istanbul Police Department's statement that Necdet Aydin is a student at the Maritime High School and has been turned over to the Regional Disciplinary Command. According to the statement, which includes information on the Marxist-Leninist Armed Propaganda Union, the Turkish People's Liberation Party Front (THKP C), an illegal organization under the leadership of Mahir Cayan, who was killed in an armed confrontation with security forces at Kizildere in 1972, later broke up, and various groups adhering to Cayan's strategy of "Continual Revolution" arose.

It is revealed in the statement that one of these groups is active under the name of the Marxist-Leninist Armed Propaganda Union, and that laboratory findings, evidence from forensic medicine, and the testimonies of witnesses bearing on incidents in which the suspects participated are presently being assembled together.



An enumeration of the operations in which the suspects were involved was also contained in the Public Security Division's statement. According to the statement, the MLSPU members were responsible for the following: the robbery of the Fikirtepe branch of Isbankasi, the robbery of the Fikirtepe branch of the Agricultural Bank, the robbery of the Bagcilar branch of Isbankasi at Bakirkoy, the illegal demonstration in front of Cerrahpasa hospital and the killing of police officer Ahmet Yetis and the wounding of two other police officers while spraying a police car with automatic weapons fire, the illegal demonstration at Altiyol in Kadikoy, firing upon the Kadikoy Kusdili MHP [Nationalist Action Party] building and thereby killing Seyfullah Eksioglu, the bombing of Kucukkoy Bagcilar, the bombing of the UCD [Idealist Youth Association] library at Besyuzevler, throwing an explosive object into the shop of Ilyas Emiroglu at Kucukkoy, the murder of former Chief of Police Ilgiz Aykutlu, the murders of MHP Istanbul Provincial Chairman Recep Hasatli and his son Mustafa Hasatli, the murders of Cihangir Erdeniz and Mustafa Erdem, the racetrack robbery, the robbery of the Kadikoy IETT [Istanbul Electric Power, Subway, and Tramway] Administration, and the robbery attempt in the Erenkoy shop of jeweller Suphi Hidirverli.

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